



Control Number: 51415



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SOUTHWESTERN ELECTRIC POWER COMPANY
Accumulated Deferred Federal Income Taxes
For the Test Year Ended March 31, 2020
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Line No	(1) Account Number	(2) Description	(11) BALANCE NOVEMBER 2019	(12) BALANCE DECEMBER 2019	(13) BALANCE JANUARY 2020	(14) BALANCE FEBRUARY 2020	(15) BALANCE MARCH 2020
51	908A	BOOK OPERATING LEASE - LIAB	-	-	-	-	-
52	908B	BOOK OPERATING LEASE - ASSET	8,743,290	8,626,075	8,439,897	8,384,811	7,861,113
53	911F-FIN4E	FIN 48 DSIT	-	-	-	-	-
54	911S	ACCRUED SALES & USE TAX RESERVE	-	-	-	-	-
55	911V	ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	(0)	(20,144)	(20,144)	(20,144)	(20,144)
56	911W	ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	-	-	-	-	-
57	940X	IRS CAPITALIZATION ADJUSTMENT	363,635	410,888	410,888	410,888	410,888
58	960E	AMT CREDIT - DEFERRED	-	23,115	23,115	23,115	-
59	960Z	NOL - DEFERRED TAX ASSET RECLASS	-	-	-	-	-
60	980A	RESTRICTED STOCK PLAN	38,056	41,861	41,861	41,861	54,665
61	980J	PSI - STOCK BASED COMP	295,936	325,046	325,046	325,046	360,625
62	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	46,559,193	48,300,397	48,300,397	48,300,397	48,300,397
63	913D	CHARITABLE CONTRIBUTION CARRYFRWD	(1,666)	1,497,806	1,497,806	1,497,806	1,497,806
64		ADIT Federal Non-UMWA PRW OCI	818,706	(96,077)	(96,077)	(96,077)	2,185
65		ADIT-Fed-Hdg-CF-Int Rate	1,006,757	968,036	929,314	890,593	851,872
66		SUBTOTAL	132,289,515	137,518,382	137,760,362	137,796,347	138,513,419
67		REG ASSET / LIABILITY - FLOW-THROUGH	42,689,346	43,038,136	43,037,868	43,055,853	43,010,483
68	960F	REG LIABILITY - EXCESS & FLOW-THROUGH	169,303,929	169,831,454	168,863,848	167,138,909	167,664,231
69		TOTAL 190 ADIT	344,282,790	350,387,973	349,662,078	347,991,110	349,188,134
70	281	281 PROPERTY ADIT	(69,448,747)	(69,501,969)	(69,501,969)	(69,755,642)	(69,882,478)
71		REG LIABILITY - EXCESS & FLOW-THROUGH	27,026,414	27,026,414	27,026,414	26,928,547	26,879,613
72		TOTAL 282 ADIT	(42,422,333)	(42,475,555)	(42,475,555)	(42,827,095)	(43,002,865)
73	282	282 PROPERTY ADIT	(1,364,094,113)	(1,381,672,626)	(1,381,488,601)	(1,379,751,509)	(1,378,764,772)
74		REG ASSET / LIABILITY - FLOW-THROUGH	(52,264,645)	(51,940,045)	(52,068,718)	(51,847,311)	(51,755,136)
75		REG LIABILITY - EXCESS & FLOW-THROUGH	500,717,003	500,082,835	500,082,835	497,120,543	495,639,397
76	282	TOTAL 282 ADIT	(915,641,755)	(933,529,837)	(933,474,485)	(934,478,277)	(934,880,512)
77	283	014C-DSIT NOL-STATE C/F-DEF STATE TAX ASSET-L/T	(9,777,431)	(10,143,083)	(10,143,083)	(10,143,083)	(10,143,083)
78	575E	MTM BK GAIN-A/L-TAX DEFL	197,778	585,757	585,757	1,156,027	870,329
79	605B	ACCRUED BK PENSION EXPENSE	(15,538,625)	(15,270,275)	(15,122,647)	(14,975,020)	(14,834,029)
80	605C	ACCRUED BK PENSION COSTS - SFAS 158	19,755,975	20,346,089	20,346,089	20,346,089	20,053,069
81	630J	DEFD STORM DAMAGE	4	4	4	4	4
82	630M	RATE CASE DEFD CHGS	(1,334,342)	(1,318,857)	(1,309,181)	(1,310,779)	(1,309,255)
83	632U	BK DEFL-DEMAND SIDE MNGMT EXP	(0)	(0)	(0)	(0)	(399,562)
84	638A	BOOK > TAX BASIS - EMA-A/C 283	29,847	8,844	8,844	8,844	8,844
85	660A	TRANSITION REGULATORY ASSETS	0	2,472	2,472	4,745	5,882
86	660F	REG ASSET-SFAS 143 - ARO	(1,594,362)	(1,628,805)	(1,598,272)	(1,567,384)	(1,529,306)
87	660L	REG ASSET-DEFERRED LITIGATION COSTS	(0)	(0)	(0)	(0)	(0)
88	661R	REG ASSET-SFAS 158 - PENSIONS	(19,755,975)	(20,346,089)	(20,346,089)	(20,346,089)	(20,346,089)
89	661S	REG ASSET-SFAS 158 - SERP	(154,162)	(182,550)	(182,550)	(182,550)	110,470
90	661T	REG ASSET-SFAS 158 - OPEB	(1,389,948)	(4,271)	(4,271)	(4,271)	(2,029)

SOUTHWESTERN ELECTRIC POWER COMPANY
Accumulated Deferred Federal Income Taxes
For the Test Year Ended March 31, 2020

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Line No	(1) Account Number	(2) Description	(3) BALANCE MARCH 2019	(4) BALANCE APRIL 2019	(5) BALANCE MAY 2019	(6) BALANCE JUNE 2019	(7) BALANCE JULY 2019	(8) BALANCE AUGUST 2019	(9) BALANCE SEPTEMBER 2019	(10) BALANCE OCTOBER 2019
91	661U	REG ASSET-NITS & BPF DEFERRALS	-	-	-	-	-	-	-	-
92	664A	REG ASSET-UND/REC ENVIRON ADJ CLAUSE-LA	(26,572)	(26,301)	(5,286)	8,953	6,866	12,677	0	0
93	664V	REG ASSET-NET CCS FEED STUDY COSTS	(93,840)	(93,840)	(93,840)	(93,840)	(93,840)	(93,840)	(93,840)	-
94	664X	REG ASSET-SWEPKO/VMCO TRANSACTION COST	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
95	668P	REG ASSET-LA 2009 FRP ASSET	(25,233)	(25,233)	(25,233)	(25,233)	(25,233)	(25,233)	(25,233)	(25,233)
96	669J	REG ASSET-ENERGY EFFICIENCY RECOVERY	(275,078)	(339,741)	(368,234)	(319,920)	(258,392)	(225,800)	(157,379)	(127,986)
97	669X	REG ASSET-SWEPKO SHIPE ROAD	(142,209)	(85,082)	(85,082)	(85,082)	(85,082)	(85,082)	(85,082)	(85,082)
98	670O	REG ASSET-ENVIRONMENTAL CHEMICAL COST-AR	(674,927)	(688,733)	(704,504)	(719,348)	(737,715)	(756,178)	(762,091)	(768,736)
99	672P	REG ASSET-FACILITIES MAINT-SWEPKO LA	(234,952)	(261,247)	(267,915)	(283,205)	(288,404)	(305,491)	(312,525)	(319,897)
100	673J	REG ASSET-WELSH/FLINT CRK ENVIRON DEF	(4,515,269)	(4,486,509)	(4,457,749)	(4,428,990)	(4,400,230)	(4,371,470)	(4,342,711)	(4,313,951)
101	673K	REG ASSET-WELSH/FLINT CRK ENVIRON-CONTRA	1,579,313	1,569,254	1,559,195	1,549,135	1,539,076	1,529,017	1,518,957	1,508,898
102	673U	REG ASSET-LA 2015 FRP-SPP DEFERRAL	(891,665)	(869,374)	(847,082)	(824,790)	(802,499)	(780,207)	(757,916)	(735,624)
103	673V	REG ASSET-LA 2015 FRP-UNREC EQUITY	48,671	47,454	46,237	45,020	43,804	42,587	41,370	40,153
104	673Z	REG ASSET-WELSH 2 TX-UNDEPR BAL	(3,562,045)	(3,553,277)	(3,544,488)	(3,535,679)	(3,526,848)	(3,517,997)	(3,509,125)	(3,500,232)
105	674R	REG ASSET-UNDER RECOV-EXCESS TAX ETRR	(30,322)	(35,376)	(40,429)	(45,483)	(50,537)	(55,590)	(60,644)	(65,697)
106	690F	REG ASSET-NBV-ARO-RETIRED PLANTS	(104,852)	(104,727)	(104,602)	(104,478)	(104,353)	(104,229)	(104,104)	(103,979)
107	711M	AMAX COAL CONTRACT-TX	0	0	0	0	0	0	0	0
108	900A	LOSS ON REACQUIRED DEBT	(1,526,686)	(1,492,424)	(1,486,657)	(1,480,890)	(1,475,123)	(1,469,356)	(1,463,589)	(1,457,822)
109	900F	BK DEFL-GAIN REACQUIRED DEBT	1,286	1,092	897	703	503	302	102	1
110	906A	ACCRD SFAS 106 PST RETIRE EXP	(6,565,180)	(6,644,946)	(6,728,684)	(6,811,437)	(6,894,949)	(6,978,348)	(7,061,044)	(7,144,851)
111	906D	SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	3,441,111	3,441,111	3,441,111	3,441,111	3,441,111	3,441,111	3,441,111	3,441,111
112	906K	ACCRD SFAS 112 PST EMPLOY BEN	1,209,623	1,209,623	1,209,623	1,209,623	1,209,623	1,209,623	1,209,623	1,209,623
113	906Z	SFAS 106 - MEDICARE SUBSIDY - (PPACA)-REG ASSET	(643,971)	(634,638)	(625,305)	(615,973)	(606,640)	(597,307)	(587,974)	(578,641)
114	913Y	MISC BK/TAX TIMING DIFFERENCES	0	0	0	0	0	0	0	0
115	921A	BK DEPLETION-MINERALS & RIGHTS	2,156,682	2,337,470	2,337,470	2,376,043	2,411,596	2,449,598	2,449,978	2,449,334
116	930A	BOOK > TAX BASIS-PRTSHP INVEST	(2,512,938)	(2,539,188)	(2,565,438)	(2,591,688)	(2,617,938)	(2,668,748)	(2,719,558)	(2,770,368)
117	940K	1988-1990 IRS AUDIT SETTLEMENT	(1,623)	(1,623)	(1,623)	(1,623)	(1,623)	(1,623)	(1,623)	(1,623)
118	960F-XS	EXCESS ADFIT	13,164,693	12,529,683	12,498,995	11,863,985	11,228,975	10,956,536	10,442,389	9,928,243
119		ACC DFD SIT	-	-	-	-	-	-	-	-
120	639O	BOOK > TAX BASIS EMA - 283 (B/L)	-	-	-	-	-	-	-	-
		ADIT-Fed-Hdg-CF-Int Rate	(578,165)	(573,067)	(567,968)	(562,870)	(557,771)	(552,673)	(547,574)	(542,476)
121		SUB TOTAL	(30,513,585)	(30,379,802)	(30,429,637)	(31,238,307)	(32,507,598)	(32,557,316)	(33,160,176)	(33,679,755)
122		REG ASSET / LIABILITY - FLOW-THROUGH	(54,973,886)	(54,903,389)	(54,973,662)	(54,897,574)	(54,997,407)	(55,210,667)	(55,338,124)	(55,454,461)
123		ACCUM DEFERRED SIT - SFAS 109 FLOW-THRU	(195,593,670)	(195,316,915)	(195,724,188)	(195,440,424)	(195,977,033)	(197,016,067)	(197,612,144)	(198,138,630)
124		REG LIABILITY - EXCESS & FLOW-THROUGH	24,406,554	25,041,564	25,072,252	25,707,262	26,342,272	26,614,711	27,128,858	27,643,005
125		TOTAL 283 ADIT	(256,674,586)	(255,558,542)	(256,055,235)	(255,869,043)	(257,139,766)	(258,169,338)	(258,981,585)	(259,629,842)
126		TOTAL COMPANY ADIT	(863,659,668)	(862,545,881)	(863,410,313)	(861,922,228)	(865,424,184)	(868,907,679)	(872,438,588)	(874,386,182)
			1,404,355	1,370,731	1,337,108	1,379,843	1,346,220	1,312,597	1,355,332	1,321,709

Line No	(1) Account Number	(2) Description	(11) BALANCE NOVEMBER 2019	(12) BALANCE DECEMBER 2019	(13) BALANCE JANUARY 2020	(14) BALANCE FEBRUARY 2020	(15) BALANCE MARCH 2020
91	661U	REG ASSET-NITS & BPF DEFERRALS	818,536	-	-	-	(153,950)
92	664A	REG ASSET-UND/REC ENVIRON ADJ CLAUSE-LA	0	0	72,651	72,651	72,651
93	664V	REG ASSET-NET CCS FEED STUDY COSTS	-	-	-	-	-
94	664X	REG ASSET-SWEPCO/EMCO TRANSACTION COST	(0)	(0)	(0)	(0)	(0)
95	668P	REG ASSET-LA 2009 FRP ASSET	(174,110)	(571,977)	(571,977)	(571,977)	(174,110)
96	669J	REG ASSET-ENERGY EFFICIENCY RECOVERY	(238,244)	(229,853)	(144,155)	(78,323)	(140,696)
97	669X	REG ASSET-SWEPCO SHIPE ROAD	(85,082)	(85,082)	(85,082)	(85,082)	(77,992)
98	670O	REG ASSET-ENVIRONMENTAL CHEMICAL COST-AR	(774,186)	(780,464)	(767,456)	(754,448)	(741,441)
99	672P	REG ASSET-FACILITIES MAINT-SWEPCO LA	(325,115)	(328,671)	(329,858)	(332,317)	(336,402)
100	673J	REG ASSET-WELSH/FLINT CRK ENVIRON DEF	(4,285,191)	(4,256,431)	(4,227,672)	(4,198,912)	(4,170,152)
101	673K	REG ASSET-WELSH/FLINT CRK ENVIRON-CONTRA	1,498,839	1,488,779	1,478,720	1,468,661	1,458,601
102	673U	REG ASSET-LA 2015 FRP-SPP DEFERRAL	(713,332)	(691,041)	(668,749)	(646,457)	(624,166)
103	673V	REG ASSET-LA 2015 FRP-UNREC EQUITY	38,937	37,720	36,503	35,286	34,069
104	673Z	REG ASSET-WELSH 2 TX-UNDEPR BAL	(3,491,318)	(3,482,382)	(3,473,426)	(3,464,448)	(3,455,449)
105	674R	REG ASSET-UNDER RECOV-EXCESS TAX ETRR	(70,751)	(75,805)	(75,805)	(75,805)	(75,805)
106	690F	REG ASSET-NBV-ARO-RETIRED PLANTS	(103,855)	(103,730)	(103,528)	(103,325)	(103,123)
107	711M	AMAX COAL CONTRACT-TX	0	0	0	0	0
108	900A	LOSS ON REACQUIRED DEBT	(1,452,055)	(1,378,156)	(1,372,389)	(1,366,622)	(1,355,156)
109	900F	BK DEFL-GAIN REACQUIRED DEBT	(101)	(101)	(101)	(101)	(101)
110	906A	ACCRD SFAS 106 PST RETIRE EXP	(7,228,284)	(7,378,285)	(7,487,338)	(7,596,650)	(7,702,896)
111	906D	SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	3,441,111	3,842,727	3,842,727	3,842,727	3,842,727
112	906K	ACCRD SFAS 112 PST EMPLOY BEN	1,209,623	1,209,623	1,209,623	1,209,623	1,227,617
113	906Z	SFAS 106 - MEDICARE SUBSIDY - (PPACA)-REG ASSET	(569,308)	(559,975)	(550,642)	(541,309)	(531,976)
114	913Y	MISC BK/TAX TIMING DIFFERENCES	(3,000,167)	(3,000,167)	(3,000,167)	(3,000,167)	(3,000,167)
115	921A	BK DEPLETION-MINERALS & RIGHTS	2,459,713	2,470,861	2,470,861	2,524,098	2,547,240
116	930A	BOOK > TAX BASIS-PRTSHP INVEST	(2,821,178)	(2,997,534)	(2,997,534)	(2,997,534)	(2,997,534)
117	940K	1988-1990 IRS AUDIT SETTLEMENT	(1,623)	(1,623)	(1,623)	(1,623)	(1,623)
118	960F-XS	EXCESS ADFIT	9,414,096	10,109,784	10,109,784	9,755,807	9,578,820
119		ACC DFD SIT	-	-	-	-	-
120	639O	BOOK > TAX BASIS EMA - 283 (B/L)	-	-	-	-	-
		ADIT-Fed-Hdg-CF-Int Rate	(537,378)	(532,279)	(527,181)	(522,082)	(516,984)
121		SUB TOTAL	(36,551,665)	(35,244,825)	(34,926,739)	(34,441,796)	(34,412,755)
122		REG ASSET / LIABILITY - FLOW-THROUGH	(55,544,327)	(55,837,424)	(55,871,699)	(55,896,399)	(55,885,883)
123		ACCUM DEFERRED SIT - SFAS 109 FLOW-THRU	(198,521,604)	(200,327,851)	(200,327,851)	(200,725,390)	(200,765,163)
124		REG LIABILITY - EXCESS & FLOW-THROUGH	28,157,151	(6,502,000)	(6,502,000)	(6,148,023)	(5,971,036)
125		TOTAL 283 ADIT	(262,460,445)	(297,912,100)	(297,628,290)	(297,211,608)	(297,034,836)
126		TOTAL COMPANY ADIT	(876,241,742)	(923,529,519)	(923,916,251)	(926,525,870)	(925,730,079)
			1,288,086	339,680	306,057	272,434	337,073

SOUTHWESTERN ELECTRIC POWER COMPANY
ADFIT - Description of Timing Differences
For the Test Year Ended March 31, 2020

Line No	Acct No	Timing Difference	Description	Remaining Life
1	2811	TX AMORT POLLUTION CONT EQPT	Timing difference between tax amortization on tax basis and book depreciation on tax basis of qualified pollution control facilities, also includes basis differences between tax capitalization rules and book capitalization rules which include items such as AFUDC debt, taxes capitalized, repair allowance, capitalized relocation costs, property dispositions, contributions in aid of construction and units of property	Various
2				
3				
4				
5				
6				
7				
8				
9	2821	PROPERTY RELATED ADIT	Timing difference between tax depreciation on tax basis and book depreciation on tax basis, tax deductions for actual incurred costs of dismantling, also includes basis differences between tax capitalization rules and book capitalization rules which include items such as AFUDC debt, taxes capitalized, repair allowance, capitalized relocation costs, property dispositions, contributions in aid of construction and units of property	Various
10				
11				
12				
13				
14				
15				
16				
17				
18	2831	MTM BK GAIN-A/L-TAX DEFL	For tax purposes, gains and losses are generally recognized on as book accounting) and certain hedging transactions where book mark-to-market adjustments are recognized for tax over a portfolio life	Various
19				
20				
21				
22				
23		ACCRUED BK PENSION EXPENSE	Deducted for tax purposes as funding of the plan occurs and added back to taxable income when pension costs are expensed on the books	Various
24				
25				
26				
27		ACCRUED BOOK PENSION COSTS - SFAS 158	Balance sheet M-1 offset by Accrd Pension Costs SFAS 158 in account 2831	Various
28				
29				
30		DEFERRED STORM DAMAGES	Storm damage expenses deferred and amortized per books and deducted for tax when incurred	Various
31				
32				
33		RATE CASE DEFD CHGS	Rate Case expenses deferred and amortized per books and deducted for tax when incurred	Various
34				
35				
36		BK DEFL-DEMAND SIDE MNGMT EXP	DSM expenses deferred and amortized per books and deducted for tax when incurred	Various
37				
38				
39		DEFD STORM DAMAGE	Storm damage expenses deferred and amortized per books and deducted for tax when incurred	Various
40				
41				
42		RATE CASE DEFD CHGS	Rate Case expenses deferred and amortized per books and deducted for tax when incurred	Various
43				
44				
45		BK DEFL-DEMAND SIDE MNGMT EXP	DSM expenses deferred and amortized per books and deducted for tax when incurred	Various
46				
47				
48		BOOK > TAX BASIS - EMA-A/C 283	For tax purposes the tax basis of emission allowances are on a creating a book and tax timing difference	Various
49				
50				
51		TRANSITION REGULATORY ASSETS	Book deferral of transition costs per Arkansas regulatory order For tax purposes these costs are deducted when incurred	Various
52				
53				

SOUTHWESTERN ELECTRIC POWER COMPANY
ADFIT - Description of Timing Differences
For the Test Year Ended March 31, 2020

Line No	Acct No	Timing Difference	Description	Remaining Life
54	2831 Cont	REG ASSET-SFAS 143 - ARO	ARO expenses deferred and amortized per books and deducted for tax when incurred	Various
55				
56				
57		REG ASSET-SFAS 158 - PENSIONS	Balance sheet M-1 offset by Accrd Pension Costs SFAS 158 in account 2831	Various
58				
59				
60		REG ASSET-SFAS 158 - SERP	Balance sheet M-1 offset by Accrd SERP Costs SFAS 158 in account 1901	Various
61				
62				
63		REG ASSET-SFAS 158 - OPEB	Balance sheet M-1 offset by Accrd OPEB Costs SFAS 158 in account 1901	Various
64				
65				
66		REG ASSET-NITS & BPF DEFERRALS	Book deferral and amortization of certain costs that are deductible for tax purposes when incurred	Various
67				
68				
69		REG ASSET-UND/REC ENVIRON ADJ CLAUSE-LA	Certain LA environmental expenses are recorded on the books to equal the environmental costs in revenues from customers generating an under recovery of certain environmental costs	Various
70				
71				
72				
73		REG ASSET-NET CCS FEED STUDY COSTS	Book deferral and amortization of certain costs that are deductible for tax purposes when incurred	Various
74				
75				
76		REG ASSET-LA FRP ASSET	Book deferral and amortization of certain costs that are deductible for tax purposes when incurred	Various
77				
78				
79		REG ASSET-ENERGY EFFICIENCY RECOVERY	Book deferral and amortization of certain costs that are deductible for tax purposes when incurred	Various
80				
81				
82		REG ASSET-SWEPCO SHIPE ROAD	Costs associated with the cancelled SWEPCO Shipe Road Project deferred for future recovery on books and deducted currently for tax	Various
83				
84				
85				
86		REG ASSET-ENVIRONMENTAL CHEMICAL COST-AR	Book deferral of Arkansas environmental chemical costs for future recovery per Docket No 14-080-U Deducted for tax currently	Various
87				
88				
89		REG ASSET-FACILITIES MAINT-SWEPCO LA	Book deferral and amortization of certain costs that are deductible for tax purposes when incurred	Various
90				
91				
92		REG ASSET-WELSH/FLINT CRK ENVIRON DEF	Book deferral and amortization of certain costs that are deductible for tax purposes when incurred	Various
93				
94				
95		REG ASSET-WELSH/FLINT CRK ENVIRON-CONTRA	Book deferral and amortization of certain costs that are deductible for tax purposes when incurred	Various
96				
97				
98		REG ASSET-LA 2015 FRP-SPP DEFERRAL	Book deferral and amortization of certain costs that are deductible for tax purposes when incurred	Various
99				
100				
101		REG ASSET-LA 2015 FRP-UNREC EQUITY	Book deferral and amortization of certain costs that are deductible for tax purposes when incurred	Various
102				
103				
104		REG ASSET-WELSH 2 TX-UNDEPR BAL	Book deferral and amortization of certain costs that are deductible for tax purposes when incurred	Various
105				
106				
107		REG ASSET-UNDER RECOV-EXCESS TAX ETRR	Book deferral and amortization of certain costs that are deductible for tax purposes when incurred	Various
108				
109				
110		REG ASSET-NBV-ARO-RETIRED PLANTS	ARO expenses deferred and amortized per books related to retired plants and deducted for tax when incurred	Various
111				
112				
113		LOSS ON REACQUIRED DEBT	Losses on reacquired debt deducted for tax and generally deferred and amortized per books	Various
114				
115				
116		BK DEFL-GAIN REACQUIRED DEBT	Gains on reacquired debt included for tax and generally deferred and amortized per books	Various
117				
118				
119		ACCRD SFAS 106 PST RETIRE EXP	Book amount in excess of the funded amount, the accrued book expense is not deductible for tax purposes and creates a timing difference which reverses when the deductible funding to the post-retirement benefit trust fund occurs	Various
120				
121				
122				
123				
124		SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	Funding is in excess of tax deductibility limits and is not deductible until subsequent years	Various
125				
126				
127		ACCRD SFAS 112 PST EMPLOY BEN	Book amount in excess of the funded amount, the accrued book expense is not deductible for tax purposes and creates a timing difference which reverses when the post-employment benefits are paid	Various
128				
129				
130				
131				
132		SFAS 106 - MEDICARE SUBSIDY - (PPACA)-REG ASSET	Book deferral and amortization of costs associated with Medicare Part D subsidy tax benefit	Various
133				
134				
135		BK DEPLETION-MINERALS & RIGHTS	Lignite amortization for books included in inventory and deducted	Various

SOUTHWESTERN ELECTRIC POWER COMPANY
ADFIT - Description of Timing Differences
For the Test Year Ended March 31, 2020

Line No	Acct No	Timing Difference	Description	Remaining Life
136			for tax	
137				
138		BOOK > TAX BASIS-PRTSHP INVEST	ADIT on differences between the tax basis of partnership investments and the book basis of partnerships	Various
139				
140				
141		EXCESS ADFIT	Excess accumulated deferred income taxes due to federal income tax statutory rate change	
142				
143				
144				
145				
146	1901	TAX CREDIT CARRYFORWARD - DFIT ASSET	Represents reclassification to A/C 190 from A/C 236 of unused prior year R&D tax credits and alternative minimum tax carried forward to future years	Various
147				
148				
149				
150		PUCT FUEL O/U RECOVERY-RETAIL	Texas fuel expenses are recorded on the books to equal the fuel costs in revenues from customers generating an over or under recovery of fuel costs	Various
151				
152				
153				
154		AR - FUEL OVER/UNDER RECOVERY	AR fuel expenses are recorded on the books to equal the fuel costs in revenues from customers generating an over or under recovery of fuel costs	Various
155				
156				
157				
158		LA - FUEL OVER/UNDER RECOVERY	LA fuel expenses are recorded on the books to equal the fuel costs in revenues from customers generating an over or under recovery of fuel costs	Various
159				
160				
161				
162		UNBILLED REVENUE	Unbilled Fuel Revenue must be included in taxable income to match the associated fuel costs, each year the previous years amount is reversed and the new year amount included	Various
163				
164				
165				
166		PROVISION FOR POSSIBLE REFUNDS-A/L	Provision for revenue refund recorded on the books which is based upon a preliminary regulatory commission recommendation for adjudicating the Company's request for increase in rates to customers, the provision is not deductible for tax purposes until the refund is actually made to the customers	Various
167		PROVISION FOR POSSIBLE REFUNDS-TAX REFORM		
168		PROVISION FOR RATE REFUND-EXCESS PROTECTED		
169				
170				
171				
172		PROV WORKER'S COMP	Worker's compensation insurance accruals for known and measurable claims are not deductible for tax purposes until paid	Various
173				
174				
175		SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	Accruals for supplemental executive retirement plan expenses are not deductible for tax until paid	Various
176				
177				
178		ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158	Balance sheet M-1 offset by Reg Asset SFAS 158 - SERP in account 2831	Various
179				
180				
181		ACCRD BK SUP SAVINGS PLAN EXP	Accruals for supplemental savings plan expenses are not deductible for tax until paid	Various
182				
183				
184		ACCURED BK BENEFIT COSTS	Various benefit accruals are not deductible for tax until paid	Various
185				
186		ACCURED PSI PLAN EXP	Performance Share Incentive plan accruals are not deductible for tax until paid	Various
187				
188				
189		STOCK BASED COMP-CAREER SHARES	Tax deduction for the PSI plan expense as they vest	Various
190				
191		BK PROV UNCOLL ACCTS	Accrual of expense to the book provision for uncollectible accounts is not deductible for tax purposes until the account is written off	Various
192				
193				
194				
195		ACCURED MINE RECLAMATION	Accrued mine reclamation costs are not deductible for tax purposes until paid	Various
196				
197				
198		DEFD COMPENSATION - BOOK EXPENSE	Accruals for deferred compensation expenses are not deductible for tax purposes until paid	Various
199				
200				
201		ACCRD COMPANYWIDE INCENTV PLAN	Incentive plan accruals are not deductible for tax until paid	Various
202		(ICDP)-INCENTIVE COMP DEFERRAL PLAN		
203				
204				
205		ACCRD ENVIRONMENTAL LIAB	Accrued environmental costs are not deductible for tax purposes until paid	Various
206		ACCRD ENVIRONMENTAL LIAB-LONG TERM		
207				
208		ACCURED BOOK VACATION PAY	Accrual for vacation pay is not fully deductible under the economic performance rule of the IRS unless paid within 2 1/2 months of the following year	Various
209				
210				
211				
212		ACCURED INTEREST-LONG-TERM - FIN 48	Interest expense accrued for book not deductible for tax, will be deducted for tax when paid	Various
213				
214				
215		ACCURED INTEREST-SHORT-TERM - FIN 48	Interest expense accrued for book not deductible for tax, will be deducted for tax when paid	Various
216				
217				

SOUTHWESTERN ELECTRIC POWER COMPANY
ADFIT - Description of Timing Differences
For the Test Year Ended March 31, 2020

Line No	Acct No	Timing Difference	Description	Remaining Life
218		ADVANCE RENTAL INC (CUR MO)	Rental income received and amortized for books, recognized	Various
219			upon receipt for tax	
220				
221		DEFD INCOME - DOLET HILLS MINING BUYOUT	Tax recognized upon receipt proceeds from OMPA which will be	Various
222			amortized on the books to fuel costs over time	
223				
224		AMORTIZATION - GOODWILL PER BOOKS	Goodwill, which along with the VEMCo-related regulatory assets	Various
225		GOODWILL PER TAX	indicated above, represent the difference in tax and book basis	
226			associated with the acquisition of Valley Electric Membership	
227			Corporation (VEMCO) certain assets and assumption of certain	
228			liabilities	
229				
230		ACCURED OPEB COSTS - SFAS 158	Balance sheet M-1 offset by Reg Asset SFAS 158 OPEB	Various
231			in account 2831	
232				
233		ACCRD BOOK ARO EXPENSE - SFAS 143	Book accruing ARO expense not deductible for tax until actual	Various

SOUTHWESTERN ELECTRIC POWER COMPANY
ADFIT - Description of Timing Differences
For the Test Year Ended March 31, 2020

Line No	Acct No	Timing Difference	Description	Remaining Life
234	1901 Cont		costs are incurred	
235				
236		FIN 48 DSIT	FIN 48 Deferred state income taxes are recorded on the books of the Company and are not included in computing federal taxable income, creating a timing difference; as the state income taxes reverse, the federal timing difference reverses	Various
237				
238				
239				
240				
241		ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	FIN 48 Book SIT reserves accrued not recognized for tax until paid	Various
242		ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48		
243				
244		IRS CAPITALIZATION ADJUSTMENT	Certain interest and depreciation expenses were capitalized for tax purposes as a result of prior year's IRS audits which will be amortized over the assets remaining MACRS tax life	Various
245				
246				
247				
248		AMT CREDIT - DEFERRED	AMT credit deferred for books and utilized for tax	Various
249				
250		DISALLOWED COSTS - TURK PLANT	Certain capitalized costs related to the Turk Plant were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax	Various
251		DISALLOWED COSTS - TURK PLANT AUX BOILER		
252				
253				
254		DISALLOWED COSTS-TX TRANS VEG MGT CST	Certain capitalized costs allocated to the Texas jurisdiction were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax	Various
255				
256				
257				
258		DISALLOWED COSTS-TX DIST VEG MGT CST	Certain capitalized costs allocated to the Texas jurisdiction were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax	Various
259				
260				
261				
262		DISALLOWED COSTS-TX TRANS VEG MGT CST-AMORT	Certain capitalized costs allocated to the Texas jurisdiction were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax	Various
263				
264				
265				
266		DISALLOWED COSTS-TX DIST VEG MGT CST-AMORT	Certain capitalized costs allocated to the Texas jurisdiction were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax	Various
267				
268				
269				
270		DISALLOWED COSTS-TX SERP COSTS	Certain capitalized costs allocated to the Texas jurisdiction were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax	Various
271				
272				
273				
274		DISALLOWED COSTS-TX DIST COSTS	Certain capitalized costs allocated to the Texas jurisdiction were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax	Various
275				
276				
277				
278		DISALLOWED COSTS-TX CWIP FINBASED INCEN-TRANS	Certain capitalized costs allocated to the Texas jurisdiction were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax	Various
279				
280				
281				
282		DISALLOWED COSTS-TX CWIP FINBASED INCEN-DIST	Certain capitalized costs allocated to the Texas jurisdiction were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax	Various
283				
284				
285				
286		DISALLOWED COSTS-TX CWIP FINBASED INCEN-GEN	Certain capitalized costs allocated to the Texas jurisdiction were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax	Various
287				
288				
289				
290		DISALLOWED COSTS-TX RWIP FINBASED INCEN-TRANS	Certain capitalized costs allocated to the Texas jurisdiction were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax	Various
291				
292				
293				
294		DISALLOWED COSTS-TX RWIP FINBASED INCEN-DIST	Certain capitalized costs allocated to the Texas jurisdiction were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax	Various
295				
296				
297				
298		DISALLOWED COSTS-TX RWIP FINBASED INCEN-GEN	Certain capitalized costs allocated to the Texas jurisdiction were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax	Various
299				
300				
301				
302		CHARITABLE CONTRIBUTION CARRYFORWARD	This carryforward represents charitable contributions, which because of federal taxable losses in certain years, could not be deducted on the AEP federal income tax return and thus was carried forward to future years	Various
303				
304				
305				
306				
307		BOOK OPERATING LEASE - LIAB	Book accrual of liability for operating lease is not deductible for tax purposes Tax deduction is taken when lease payments are made	Various
308				
309				
310		BOOK OPERATING LEASE - ASSET	Book asset for operating leases have no basis for tax resulting in book/tax timing difference	Various
311				
312				
313		ADIT-Fed-Hdg-CF-Int Rate	These deferred taxes are recorded due to Other Comprehensive Income transactions, they are Balance Sheet only and are not recorded through the Income Statement	Various
314				
315				

SOUTHWESTERN ELECTRIC POWER COMPANY
ADFIT - Description of Timing Differences
For the Test Year Ended March 31, 2020

Line No	Acct No	Timing Difference	Description	Remaining Life
316				
317		NOL-STATE C/F-DEF STATE TAX ASSET-L/T	State net operating losses deferred until such time that sufficient	Various
318			taxable income is generated to absorb such loss	
319				
320		ACCRUED SALES & USE TAX RESERVE	Reserve for potential sales and use tax audit items that is expensed	Various
321			for book but is not deductible for tax	
322				

SOUTHWESTERN ELECTRIC POWER COMPANY
G 7 4b Adjustments to Accumulated Deferred Federal Income Taxes
For the Test Year Ended March 31 2020

Line No	(1) Account Number	(2) Description	(3) Reference Schedule	(4) Total Company	(5) Non-Applicable/ Non-Utility	(6) Total Electric	(7) Known Change	(8) Post Test Year Adjustments	(9) Company Requested Electric
1	190	011C-DFIT TAX CREDIT C/F - DEF TAX ASSET		1,817,777	(1,817,777)	-	-	-	-
2		433A PUCT FUEL O/U RECOVERY-RETAIL		32,562	(32,562)	-	-	-	-
3		433C AR - FUEL OVER/UNDER RECOVERY		0	(0)	-	-	-	-
4		433D LA - FUEL OVER/UNDER RECOVERY		(0)	0	-	-	-	-
5		460A UNBILLED REVENUE		4,533,514	(4,533,514)	-	-	-	-
6		520A PROVS POSS REV REFDS-A/L		5,284,794	(5,284,794)	-	-	-	-
7		520X MARK & SPREAD-DEFL-190-A/L		-	-	-	-	-	-
8		520Y PROV FOR RATE REFUND-TAX REFORM		2,766,097	(2,766,097)	-	-	-	-
9		602A PROV WORKER'S COMP		259,158	-	259,158	-	-	259,158
10		605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN		108,138	-	108,138	-	-	108,138
11		605F ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158		180,309	(180,309)	-	-	-	-
12		605I ACCRD BK SUP SAVINGS PLAN EXP		8,547	-	8,547	-	-	8,547
13		605K ACCRUED BK BENEFIT COSTS		9,071	-	9,071	-	-	9,071
14		605O ACCRUED PSI PLAN EXP		0	-	0	-	-	0
15		605P STOCK BASED COMP-CAREER SHARES		1,615,586	(1,615,586)	-	-	-	-
16		610A BK PROV UNCOLL ACCTS - ST		64,362	-	64,362	-	-	64,362
17		610V PROV-FAS 157 - A/L		(1,877)	1,877	-	-	-	-
18		611E ACCRUED MINE RECLAMATION		9,445,966	-	9,445,966	191,801	-	9,637,767
19		611G DEFD COMPENSATION-BOOK EXPENSE		355,965	-	355,965	-	-	355,965
20		612Y ACCRD COMPANYWIDE INCENTV PLAN		179,193	-	179,193	-	-	179,193
21		613C ACCRD ENVIRONMENTAL LIAB-CURRENT		401	-	401	-	-	401
22		613E ACCRUED BOOK VACATION PAY		2,403,813	-	2,403,813	-	-	2,403,813
23		613F ACCRD ENVIRONMENTAL LIAB-LONG TERM		99,101	-	99,101	-	-	99,101
24		613K (ICDP)INCENTIVE COMP DEFERRAL PLAN		23,766	-	23,766	-	-	23,766
25		615B ACCRUED INTEREST-LONG-TERM - FIN 48		1	(1)	-	-	-	-
26		615C ACCRUED INTEREST-SHORT-TERM - FIN 48		-	-	-	-	-	-
27		615E ACCRUED STATE INCOME TAX EXP		(372,842)	372,842	-	-	-	-
28		615O BK DFL RAIL TRANS REVEXP		(0)	0	-	-	-	-
29		641I ADVANCE RENTAL INC (CUR MO)		173,528	-	173,528	-	-	173,528
30		641X DEFERRED INCOME - DOLET HILLS MINING BUYOUT		57,310	(57,310)	-	-	-	-
31		651F DISALLOWED COSTS - TURK PLANT		10,729,077	(10,729,077)	-	-	-	-
32		651H DISALLOWED COSTS - TURK PLANT AUX BOILER		3,336,932	(3,336,932)	-	-	-	-
33		651I DISALLOWED COSTS-TX TRANS VEG MGT CST		412,834	(412,834)	-	-	-	-
34		651J DISALLOWED COSTS-TX DIST VEG MGT CST		861,751	(861,751)	-	-	-	-
35		651K DISALLOWED COSTS-TX TRANS VEG MGT CST-AMORT		(23,146)	23,146	-	-	-	-
36		651M DISALLOWED COSTS-TX DIST VEG MGT CST-AMORT		(103,801)	103,801	-	-	-	-
37		651Q DISALLOWED COSTS-TX SERP COSTS		33,771	(33,771)	-	-	-	-
38		651R DISALLOWED COSTS-TX DIST COSTS		32,502	(32,502)	-	-	-	-
39		651T DISALLOWED COSTS-TX CWIP FINBASED INCEN-TRANS		559,244	(559,244)	-	-	-	-
40		651W DISALLOWED COSTS-TX CWIP FINBASED INCEN-DIST		1,280,503	(1,280,503)	-	-	-	-
41		651X DISALLOWED COSTS-TX CWIP FINBASED INCEN-GEN		645,475	(645,475)	-	-	-	-
42		651Y DISALLOWED COSTS-TX RWIP FINBASED INCEN-TRANS		16,464	(16,464)	-	-	-	-
43		651Z DISALLOWED COSTS-TX RWIP FINBASED INCEN-DIST		60,856	(60,856)	-	-	-	-
44		652G REG LIAB-UNREAL MTM GAIN-DEFL		(868,452)	868,452	-	-	-	-
45		653A DISALLOWED COSTS-TX RWIP FINBASED INCEN-GEN		26,194	(26,194)	-	-	-	-
46		701A AMORT - GOODWILL PER BOOKS		1,271,789	(1,271,789)	-	-	-	-
47		702A GOODWILL PER TAX		(699,485)	699,485	-	-	-	-
48		710H TAX DEFERRED ACQUISITION LEGAL COSTS		86,560	(86,560)	-	-	-	-
49		906F ACCRD OPEB COSTS - SFAS 158		179,407	(179,407)	-	-	-	-
50		906P ACCRD BOOK ARO EXPENSE - SFAS 143		32,311,302	-	32,311,302	-	-	32,311,302
51		908A BOOK OPERATING LEASE - LIAB		-	-	-	-	-	-
52		908B BOOK OPERATING LEASE - ASSET		7,861,113	(7,861,113)	-	-	-	-
53		911F-FIN48 FIN 48 DSIT		-	-	-	-	-	-
54		911S ACCRUED SALES & USE TAX RESERVE		-	-	-	-	-	-
55		911V ACCRD SIT TX RESERVE-LNG-TERM-FIN 48		(20,144)	20,144	-	-	-	-
56		911W ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48		-	-	-	-	-	-
57		940X IRS CAPITALIZATION ADJUSTMENT		410,888	-	410,888	-	-	410,888

SOUTHWESTERN ELECTRIC POWER COMPANY
G 7 4b Adjustments to Accumulated Deferred Federal Income Taxes
For the Test Year Ended March 31, 2020

Line No	(1) Account Number	(2) Description	(3) Reference Schedule	(4) Total Company	(5) Non-Applicable/ Non-Utility	(6) Total Electric	(7) Known Change	(8) Post Test Year Adjustments	(9) Company Requested Electric
58	960E	AMT CREDIT - DEFERRED		-	-	-	-	-	-
59	960Z	NOL - DEFERRED TAX ASSET RECLASS		-	-	-	-	-	-
59	980A	RESTRICTED STOCK PLAN		54,665	(54,665)	-	-	-	-
60	980J	PSI - STOCK BASED COMP		360,625	(360,625)	-	-	-	-
61	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T		48,300,397	(48,300,397)	-	-	-	-
62	913D	CHARITABLE CONTRIBUTION CARRYFRWD		1,497,806	(1,497,806)	-	-	-	-
63	960Z	FEDERAL NET OPERATING LOSS		-	-	-	-	-	-
63		ADIT Federal Non-UMWA PRW OCI		2,185	(2,185)	-	-	-	-
64		ADIT-Fed-Hdg-CF-Int Rate		851,872	(851,872)	-	-	-	-
65		SUBTOTAL		138,513,419	(92,560,221)	45,853,199	191,801	-	46,045,000
66		REG ASSET / LIABILITY - FLOW-THROUGH		43,010,483	-	43,010,483	-	-	43,010,483
67	960F	REG LIABILITY - EXCESS & FLOW-THROUGH		167,664,231	(11,844,787)	155,819,444	-	-	155,819,444
68		TOTAL 190 ADIT		349,188,134	(104,505,008)	244,683,126	191,801	-	244,874,927
69		281 PROPERTY ADIT		(69,882,477.66)	-	(69,882,478)	-	-	(69,882,478)
70	960F	REG LIABILITY - EXCESS & FLOW-THROUGH		26,879,613.00	-	26,879,613	-	-	26,879,613
70		TOTAL 281 ADIT		(43,002,865)	-	(43,002,865)	-	-	(43,002,865)
71	282	NORMALIZED PROPERTY DIFFERENCES		(1,378,764,772)	45,829,652	(1,332,935,121)	#REF!	-	#REF!
72		REG ASSET / LIABILITY - FLOW-THROUGH		(51,755,136)	-	(51,755,136)	-	-	(51,755,136)
73		REG LIABILITY - EXCESS & FLOW-THROUGH		495,639,397	(45,815,932)	449,823,465	10,042,883	-	459,866,348
74		TOTAL 282 ADIT		(934,880,512)	13,720	(934,866,792)	#REF!	-	#REF!
75	283	014C-DSIT		(10,143,083)	10,143,083	-	-	-	-
76	575E	MTM BK GAIN-AL-TAX DEFL		870,329	(870,329)	-	-	-	-
77	605B	ACCURED BK PENSION EXPENSE		(14,834,029)	-	(14,834,029)	(2,690,984)	-	(17,525,013)
78	605C	ACCURED BK PENSION COSTS - SFAS 158		20,053,069	(20,053,069)	-	-	-	-
79	630J	DEFD STORM DAMAGE		4	(4)	-	-	-	-
80	630M	RATE CASE DEFD CHGS		(1,309,255)	1,309,255	-	-	-	-
81	632U	BK DEFL-DEMAND SIDE MNGMT EXP		(399,562)	399,562	-	-	-	-
82	638A	BOOK > TAX BASIS - EMA-AVC 283		8,844	-	8,844	-	-	8,844
83	660A	TRANSITION REGULATORY ASSETS		5,882	-	5,882	-	-	5,882
84	660F	REG ASSET-SFAS 143 - ARO		(1,529,306)	-	(1,529,306)	-	-	(1,529,306)
85	660L	REG ASSET-DEFERRED LITIGATION COSTS		(0)	-	(0)	-	-	(0)
86	661R	REG ASSET-SFAS 158 - PENSIONS		(20,346,089)	20,346,089	-	-	-	-
87	661S	REG ASSET-SFAS 158 - SERP		110,470	(110,470)	-	-	-	-
88	661T	REG ASSET-SFAS 158 - OPEB		(2,029)	2,029	-	-	-	-
89	661U	REG ASSET-NITS & BPF DEFERRALS		(153,950)	-	(153,950)	-	-	(153,950)
90	664A	REG ASSET-UND/REC ENVIRON ADJ CLAUSE-LA		72,651	(72,651)	-	-	-	-
91	664V	REG ASSET-NET CCS FEED STUDY COSTS		-	-	-	-	-	-
92	664X	REG ASSET-SWEPCO/VMCO TRANSACTION COST		(0)	-	(0)	-	-	(0)
93	668P	REG ASSET-LA 2009 FRP ASSET		(174,110)	174,110	-	-	-	-
94	669J	REG ASSET-ENERGY EFFICIENCY RECOVERY		(140,696)	-	(140,696)	-	-	(140,696)
95	669X	REG ASSET-SWEPCO SHIPE ROAD		(77,992)	77,992	-	-	-	-
96	670O	REG ASSET-ENVIRONMENTAL CHEMICAL COST-AR		(741,441)	741,441	-	-	-	-
97	672P	REG ASSET-FACILITIES MAINT-SWEPCO LA		(336,402)	336,402	-	-	-	-

SOUTHWESTERN ELECTRIC POWER COMPANY
G 7 4b Adjustments to Accumulated Deferred Federal Income Taxes
For the Test Year Ended March 31, 2020

Line No	(1) Account Number	(2) Description	(3) Reference Schedule	(4) Total Company	(5) Non-Applicable/ Non-Utility	(6) Total Electric	(7) Known Change	(8) Post Test Year Adjustments	(9) Company Requested Electric
98	673J	REG ASSET-WELSH/FLINT CRK ENVIRON DEF		(4,170,152)	4,170,152	-	-	-	-
99	673K	REG ASSET-WELSH/FLINT CRK ENVIRON-CONTRA		1,458,601	(1,458,601)	-	-	-	-
100	673U	REG ASSET-LA 2015 FRP-SPP DEFERRAL		(624,166)	624,166	-	-	-	-
101	673V	REG ASSET-LA 2015 FRP-UNREC EQUITY		34,069	(34,069)	-	-	-	-
102	673Z	REG ASSET-WELSH 2 TX-UNDEPR BAL		(3,455,449)	3,455,449	-	-	-	-
103	674R	REG ASSET-UNDER RECOV-EXCESS TAX ETRR		(75,805)	75,805	-	-	-	-
104	690F	REG ASSET-NBV-ARO-RETIRED PLANTS		(103,123)	103,123	-	-	-	-
105	711M	AMAX COAL CONTRACT-TX		0	-	0	-	-	0
106	900A	LOSS ON REACQUIRED DEBT		(1,355,156)	-	(1,355,156)	-	-	(1,355,156)
107	900F	BK DEFL-GAIN REACQUIRED DEBT		(101)	-	(101)	-	-	(101)
108	906A	ACCRD SFAS 106 PST RETIRE EXP		(7,702,896)	-	(7,702,896)	-	-	(7,702,896)
109	906D	SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT		3,842,727	-	3,842,727	-	-	3,842,727
110	906K	ACCRD SFAS 112 PST EMPLOY BEN		1,727,617	-	1,727,617	-	-	1,727,617
111	906Z	SFAS 106 - MEDICARE SUBSIDY - (PPACA)-REG ASSET		(531,976)	-	(531,976)	-	-	(531,976)
112	913Y	BK DEFL - MERGER COSTS		(3,000,167)	-	(3,000,167)	-	-	(3,000,167)
113	921A	BK DEPLETION-MINERALS & RIGHTS		2,547,240	-	2,547,240	-	-	2,547,240
114	930A	BOOK > TAX BASIS-PRTSHP INVEST		(2,997,534)	2,997,534	-	-	-	-
115	940K	1988-1990 IRS AUDIT SETTLEMENT		(1,623)	1,623	-	-	-	-
116	960F-XS	EXCESS ADFIT		9,578,820	(9,578,820)	-	-	-	-
117		ACC DFD SIT		-	-	-	-	-	-
118	639O	BOOK > TAX BASIS EMA - 283 (B/L)		-	-	-	-	-	-
119		ADIT- Fed-Hdg-CF-Int Rate		(516,984)	516,984	-	-	-	-
120		SUB TOTAL		(34,412,755)	13,296,786	(21,115,969)	(2,690,984)	-	(23,806,953)

SOUTHWESTERN ELECTRIC POWER COMPANY
G 7 4b Adjustments to Accumulated Deferred Federal Income Taxes
For the Test Year Ended March 31, 2020

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line	Account	Description	Reference	Total	Non-Applicable/ Non-Utility	Total	Known	Company
No	Number		Schedule	Company		Electric	Change	Requested
								Electric
121		REG ASSET / LIABILITY - FLOW-THROUGH		(55,885,883)	-	(55,885,883)	-	(55,885,883)
122		ACCUM DEFERRED SIT - SFAS 109 FLOW-THRU		(200,765,163)	-	(200,765,163)	-	(200,765,163)
123		REG LIABILITY - EXCESS & FLOW-THROUGH		(5,971,036)	5,971,036	-	-	-
124		TOTAL 283 ADIT		(297,034,836)	19,267,822	(277,767,014)	(2,690,984)	(280,457,998)
125		TOTAL COMPANY ADIT		(925,730,079)	(85,223,466)	(1,010,953,546)	#REF¹	#REF¹

126 Note The information shown by each line number in this schedule, G-7 4b, which includes the explanation of adjustments, corresponds to the same information and line numbers on Schedule G-7 4

SOUTHWESTERN ELECTRIC POWER COMPANY
G 7 4b Adjustments to Accumulated Deferred Federal Income Taxes
For the Test Year Ended March 31, 2020

Line No	(1) Account Number	(2) Description	(10) Explanation of Adjustments
1	190 011C-DFIT	TAX CREDIT C/F - DEF TAX ASSET	Related Item Not Included in Rate Base or Cost of Service
2	433A	PUCT FUEL O/U RECOVERY-RETAIL	Related Item Not Included in Rate Base or Cost of Service
3	433C	AR - FUEL OVER/UNDER RECOVERY	
4	433D	LA - FUEL OVER/UNDER RECOVERY	
5	460A	UNBILLED REVENUE	Related Item Not Included in Rate Base or Cost of Service
6	520A	PROVS POSS REV REFDS-ALL	Related Item Not Included in Rate Base or Cost of Service
7	520X	MARK & SPREAD-DEFL-190-ALL	
8	520Y	PROV FOR RATE REFUND-TAX REFORM	Related Item Not Included in Rate Base or Cost of Service
9	602A	PROV WORKER'S COMP	
10	605E	SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	
11	605F	ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158	Related Item Not Included in Rate Base or Cost of Service
12	605I	ACCRD BK SUP SAVINGS PLAN EXP	
13	605K	ACCRUED BK BENEFIT COSTS	
14	605O	ACCRUED PSI PLAN EXP	
15	605P	STOCK BASED COMP-CAREER SHARES	Related Item Not Included in Rate Base or Cost of Service
16	610A	BK PROV UNCOLL ACCTS - ST	
17	610V	PROV-FAS 157 - ALL	Related Item Not Included in Rate Base or Cost of Service
18	611E	ACCRUED MINE RECLAMATION	See Worksheet G-7 4b for Supporting Information
19	611G	DEFD COMPENSATION-BOOK EXPENSE	
20	612Y	ACCRD COMPANYWIDE INCENTY PLAN	
21	613C	ACCRD ENVIRONMENTAL LIAB-CURRENT	
22	613E	ACCRUED BOOK VACATION PAY	
23	613F	ACCRD ENVIRONMENTAL LIAB-LONG TERM	
24	613K	(ICDP)-INCENTIVE COMP DEFERRAL PLAN	
25	615B	ACCRUED INTEREST-LONG-TERM - FIN 48	Related Item Not Included in Rate Base or Cost of Service
26	615C	ACCRUED INTEREST-SHORT-TERM - FIN 48	Related Item Not Included in Rate Base or Cost of Service
27	615E	ACCRUED STATE INCOME TAX EXP	Not Taxes Related
28	615O	BK DFL RAIL TRANS REVEXP	
29	641I	ADVANCE RENTAL INC (CUR MO)	Related Item Not Included in Rate Base or Cost of Service
30	641X	DEFERRED INCOME - DOLET HILLS MINING BUYOUT	Related Item Not Included in Rate Base or Cost of Service
31	651F	DISALLOWED COSTS - TURK PLANT	Related Item Not Included in Rate Base or Cost of Service
32	651H	DISALLOWED COSTS - TURK PLANT AUX BOILER	Related Item Not Included in Rate Base or Cost of Service
33	651I	DISALLOWED COSTS-TX TRANS VEG MGT CST	Related Item Not Included in Rate Base or Cost of Service
34	651J	DISALLOWED COSTS-TX DIST VEG MGT CST	Related Item Not Included in Rate Base or Cost of Service
35	651K	DISALLOWED COSTS-TX TRANS VEG MGT CST-AMORT	Related Item Not Included in Rate Base or Cost of Service
36	651M	DISALLOWED COSTS-TX DIST VEG MGT CST-AMORT	Related Item Not Included in Rate Base or Cost of Service
37	651Q	DISALLOWED COSTS-TX SERP COSTS	Related Item Not Included in Rate Base or Cost of Service
38	651R	DISALLOWED COSTS-TX DIST COSTS	Related Item Not Included in Rate Base or Cost of Service
39	651T	DISALLOWED COSTS-TX CWIP FINBASED INCEN-TRANS	Related Item Not Included in Rate Base or Cost of Service
40	651VW	DISALLOWED COSTS-TX CWIP FINBASED INCEN-DIST	Related Item Not Included in Rate Base or Cost of Service
41	651X	DISALLOWED COSTS-TX CWIP FINBASED INCEN-GEN	Related Item Not Included in Rate Base or Cost of Service
42	651Y	DISALLOWED COSTS-TX RWIP FINBASED INCEN-TRANS	Related Item Not Included in Rate Base or Cost of Service
43	651Z	DISALLOWED COSTS-TX RWIP FINBASED INCEN-DIST	Related Item Not Included in Rate Base or Cost of Service
44	652G	REG LIAB-UNREAL MTM GAIN-DEFL	Related Item Not Included in Rate Base or Cost of Service
45	653A	DISALLOWED COSTS-TX RWIP FINBASED INCEN-GEN	Related Item Not Included in Rate Base or Cost of Service
46	701A	AMORT - GOODWILL PER BOOKS	Related Item Not Included in Rate Base or Cost of Service
47	702A	GOODWILL PER TAX	Related Item Not Included in Rate Base or Cost of Service
48	710H	TAX DEFERRED ACQUISITION LEGAL COSTS	Not Taxes Related
49	906F	ACCRD OPEB COSTS - SFAS 158	Related Item Not Included in Rate Base or Cost of Service
50	906P	ACCRD BOOK ARO EXPENSE - SFAS 143	
51	908A	BOOK OPERATING LEASE - LIAB	
52	908B	BOOK OPERATING LEASE - ASSET	Related Item Not Included in Rate Base or Cost of Service
53	911F-FIN48	FIN 48 DSIT	Related Item Not Included in Rate Base or Cost of Service
54	911S	ACCRUED SALES & USE TAX RESERVE	
55	911V	ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	Related Item Not Included in Rate Base or Cost of Service
56	911W	ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	Related Item Not Included in Rate Base or Cost of Service
57	940X	IRS CAPITALIZATION ADJUSTMENT	

SOUTHWESTERN ELECTRIC POWER COMPANY
G 7 4b Adjustments to Accumulated Deferred Federal Income Taxes
For the Test Year Ended March 31, 2020

Line No	(1) Account Number	(2) Description	(10) Explanation of Adjustments
58	960E	AMT CREDIT - DEFERRED	
59	960Z	NOL - DEFERRED TAX ASSET RECLASS	
59	980A	RESTRICTED STOCK PLAN	
60	980J	PSI - STOCK BASED COMP	
61	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-LT	Not Texas Related
62	913D	CHARITABLE CONTRIBUTION CARRYFRWD	Related Item Not Included in Rate Base or Cost of Service
63	960Z	FEDERAL NET OPERATING LOSS	To Adjust for a Stand-Alone Federal Net Operating Loss
63		ADIT Federal Non-UMWA PRW OCI	Related Item Not Included in Rate Base or Cost of Service
64		ADIT-Fed-Hdg-CF-Int Rate	Related Item Not Included in Rate Base or Cost of Service
65		SUBTOTAL	
66		REG ASSET / LIABILITY - FLOW-THROUGH	
67	960F	REG LIABILITY - EXCESS & FLOW-THROUGH	To Remove Unprotected Losses from ADIT balance
68		TOTAL 190 ADIT	
69		281 PROPERTY ADIT	
70	960F	REG LIABILITY - EXCESS & FLOW-THROUGH	
70		TOTAL 281 ADIT	
71	282	NORMALIZED PROPERTY DIFFERENCES	See Workpaper G-7 4b for Supporting Information
72		REG ASSET / LIABILITY - FLOW-THROUGH	
73		REG LIABILITY - EXCESS & FLOW-THROUGH	To Remove Unprotected Losses from ADIT balance
74		TOTAL 282 ADIT	
75	283	014C-DSIT NOL-STATE C/F-DEF STATE TAX ASSET-LT	Not Texas Related
76	575E	MTM BK GAIN-AL-TAX DEFL	Related Item Not Included in Rate Base or Cost of Service
77	605B	ACCRUED BK PENSION EXPENSE	See Workpaper G-7 4b for Supporting Information
78	605C	ACCRUED BK PENSION COSTS - SFAS 158	Related Item Not Included in Rate Base or Cost of Service
79	630J	DEFD STORM DAMAGE	Related Item Not Included in Rate Base or Cost of Service
80	630M	RATE CASE DEFD CHGS	Not in Base Rates--See Schedule G-7 4d for Supporting Information
81	632U	BK DEFL-DEMAND SIDE MNGMT EXP	Related Item Not Included in Rate Base or Cost of Service
82	638A	BOOK > TAX BASIS - EMA-A/C 283	
83	660A	TRANSITION REGULATORY ASSETS	
84	660F	REG ASSET-SFAS 143 - ARO	
85	660L	REG ASSET-DEFERRED LITIGATION COSTS	
86	661R	REG ASSET-SFAS 158 - PENSIONS	Related Item Not Included in Rate Base or Cost of Service
87	661S	REG ASSET-SFAS 158 - SERP	Related Item Not Included in Rate Base or Cost of Service
88	661T	REG ASSET-SFAS 158 - OPEB	Related Item Not Included in Rate Base or Cost of Service
89	661U	REG ASSET-NITS & BPF DEFERRALS	
90	664A	REG ASSET-UND/REC ENVIRON ADJ CLAUSE-LA	Not Texas Related
91	664V	REG ASSET-NET CCS FEED STUDY COSTS	
92	664X	REG ASSET-SWEPCO/VEPCO TRANSACTION COST	
93	668P	REG ASSET-LA 2009 FRP ASSET	Not Texas Related
94	669J	REG ASSET-ENERGY EFFICIENCY RECOVERY	
95	669X	REG ASSET-SWEPCO SHIPE ROAD	Not Texas Related
96	670O	REG ASSET-ENVIRONMENTAL CHEMICAL COST-AR	Not Texas Related
97	672P	REG ASSET-FACILITIES MAINT-SWEPCO LA	Not Texas Related

SOUTHWESTERN ELECTRIC POWER COMPANY
G 7 4b Adjustments to Accumulated Deferred Federal Income Taxes
For the Test Year Ended March 31, 2020 ,

	(1)	(2)	(10)
Line No	Account Number	Description	Explanation of Adjustments
98	673J	REG ASSET-WELSH/FLINT CRK ENVIRON DEF	Not Texas Related
99	673K	REG ASSET-WELSH/FLINT CRK ENVIRON-CONTRA	Not Texas Related
100	673U	REG ASSET-LA 2015 FRP-SPP DEFERRAL	Not Texas Related
101	673V	REG ASSET-LA 2015 FRP-UNREC EQUITY	Not Texas Related
102	673Z	REG ASSET-WELSH 2 TX-UNDEPR BAL	Not Texas Related
103	674R	REG ASSET-UNDER RECOV-EXCESS TAX ETRR	Not Texas Related
104	690F	REG ASSET-NBV-ARO-RETIRED PLANTS	Not Texas Related
105	711M	AMAX COAL CONTRACT-TX	
106	900A	LOSS ON REACQUIRED DEBT	
107	900F	BK DEFL-GAIN REACQUIRED DEBT	
108	906A	ACCRD SFAS 106 PST RETIRE EXP	
109	906D	SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	
110	906K	ACCRD SFAS 112 PST EMPLOY BEN	
111	906Z	SFAS 106 - MEDICARE SUBSIDY - (PPACA)-REG ASSET	
112	913Y	BK DEFL - MERGER COSTS	
113	921A	BK DEPLETION-MINERALS & RIGHTS	
114	930A	BOOK > TAX BASIS-PRTSHP INVEST	Related Item Not Included in Rate Base or Cost of Service
115	940K	1988-1990 IRS AUDIT SETTLEMENT	Related Item Not Included in Rate Base or Cost of Service
116	960F-XS	EXCESS ADFIT	To Remove Unprotected Excess from ADFIT balance
117		ACC DFD SIT	Not Texas Related
118	639O	BOOK > TAX BASIS EMA - 283 (B/L)	Related Item Not Included in Rate Base or Cost of Service
119		ADIT-Fed-Hdg-CF-Int Rate	Related Item Not Included in Rate Base or Cost of Service
120		SUB TOTAL	

SOUTHWESTERN ELECTRIC POWER COMPANY
G 7 4b Adjustments to Accumulated Deferred Federal Income Taxes
For the Test Year Ended March 31, 2020

	(1)	(2)	(10)
Line No	Account Number	Description	Explanation of Adjustments
121		REG ASSET / LIABILITY - FLOW-THROUGH	
122		ACCUM DEFERRED SIT - SFAS 109 FLOW-THRU	
123		REG LIABILITY - EXCESS & FLOW-THROUGH	
124		TOTAL 283 ADIT	
125		TOTAL COMPANY ADIT	
126	Note The information shown by each line number in this schedule, G-7 4b, which includes the e		

**SOUTHWESTERN ELECTRIC POWER COMPANY
ADJUSTMENT SUPPORT
TEST YEAR ENDING MARCH 31, 2020**

Description	Schedule Reference	Amounts	Description
NON-UTILITY / NON-APPLICABLE			
ACCOUNT 282 NORMALIZED ADJUSTMENT		45,815,932	ADIT 11 Related to Unprotected Excess
		13,720	ADIT 11 Related to Joint Ventures System Fuel Project
		-	ADFIT Related to Book Impaired Asset Reserve - SFAS 121
	Schedule G-7 4b - Page 2 - Line 57	<u>45,829,652</u>	Total Non-Utility / Non-Applicable - Account 282
ACCOUNT 283 NORMALIZED ADJUSTMENT	Schedule G-7 4b - Page 2 - Line 57	9,578,820	ADFIT Related to Unprotected Excess
KNOWN CHANGES			
ACCOUNT 190 NORMALIZED ADJUSTMENT	Schedule B-1 5 - Adjustment B-1 5 13	(913,340)	To adjust ADFIT for Accrued Mine Reclamation
		21%	
	Schedule G-7 4b - Page 1 - Line 15	<u>191,801</u>	ADFIT Related to Accrued Mine Reclamation
ACCOUNT 282 NORMALIZED ADJUSTMENT	Schedule B-1 5 - Adjustment B-1 5 4	224,168,719	Adjustment to Accumulated Depreciation for Texas Depreciation Rates
	Schedule B-1 5 - Adjustment B-1 5 10	(4,446,089)	Adjustment to Accumulated Depreciation for ADFUDC
	Schedule B-1 5 - Adjustment B-1 5 11	(13,389,353)	Adjustment to Accumulated Depreciation for SFAS 143
		21%	Federal Income Tax Rate
		<u>(43,329,988)</u>	Adjust ADFIT Related to Adjustment to Accumulated Depreciation for Texas Depreciation Rates, ADFUDC, & SFAS 143
ACCOUNT 282 NORMALIZED ADJUSTMENT	Schedule B-1 5 - Adjustment B-1 5 11	(10,042,883)	ADFIT Related to Protected Excess for NOL
	Schedule B-1 5 - Adjustment B-1 5 13	#RIT'	To adjust for a Stand-Alone Federal Net Operating Loss
	Schedule G-7 4b - Page 2 - Line 74	<u>#RIT'</u>	Adjustment to Property Related ADFIT - Account 282
ACCOUNT 283 ACCRUED BOOK PENSION COSTS	Schedule B-1 5 - Adjustment B-1 5 8	83,452,444	13 Month Average -- Pension Prepaid Asset Balance Expense Amount
		21%	Federal Income Tax Rate
	Schedule G-7 4b - Page 3 - Line 61	(17,525,013)	Required ADFIT Balance
	Schedule G-7 4b - Page 3 - Line 61	<u>(14,834,029)</u>	ADIT 11 Recorded in Account 283
	Schedule G-7 4b - Page 3 - Line 61	<u>(2,690,984)</u>	Adjustment to ADFIT Related to Accrued Book Pension Costs Expense Amount
POST TEST YEAR ADJUSTMENTS			
ACCOUNT 282 NORMALIZED ADJUSTMENT	Schedule G-7 11 - Page 1 of 1 - Line 3	N/A	
	Workpaper Schedule D-4	<u>N/A</u>	
	Schedule G-7 11 - Page 1 of 1 - Line 3	<u>N/A</u>	

SOUTHWESTERN ELECTRIC POWER COMPANY
ADFIT and ITC - Plant Adjustments and Allocations
For the Test Year Ended March 31, 2020

Line No.	Description
1	Please refer to Schedule G 7 2, Plant Adjustments.
2	ADFIT related to plant adjustments are included in the Company's Tax Depreciation and Normalization System (Powertax) which supports test year and requested ADFIT and deferred tax expense included in this filing.
3	Plant adjustments do not include any investment which generated an investment tax credit
4	Please also refer to Schedule G-7.11 for the ADFIT effects of post test year adjustments to plant.

SOUTHWESTERN ELECTRIC POWER COMPANY
ADFIT - Rate Case Expense
For the Test Year Ended March 31, 2020

	<u>Rate Case Deferrals</u>	<u>ADFIT</u>
Final Order on PUCT Docket #42370	(15,776)	(3,313)
Final Order on PUCT Docket #46449	341,838	71,786
Pending future PUCT approval docket #'s 40443, 46449, 47141, and PUCT PURA Sec 39 504.	5,042,910	1,059,011
Other Jurisdictions	754,025	158,345
Totals at March 31, 2020	<u><u>6,122,997</u></u>	<u><u>1,285,829</u></u>

Note Rate Case Deferrals are not base rate costs.

SOUTHWESTERN ELECTRIC POWER COMPANY
ANALYSIS OF INVESTMENT TAX CREDIT
FOR THE TEST YEAR ENDED March 31, 2020

LINE NO	(1) DESCRIPTION	(2) TOTAL COMPANY
1	Total ITC Utilized on Federal Income Tax Returns	147,373,016
2	Less: ITC that has been Fully Amortized	<u>77,863,434</u>
3	Gross Amortizable ITC Base	69,509,582
4	Stripped Book Depreciation Rate Requested	<u>2.0977%</u>
5	Annual Amortization of Investment Tax Credits	1,458,080
6	Less: Book Amortization (12 Months Ended 03-31-2020)	<u>1,624,687</u>
7	Adjustment Required to Test Year Amortization	<u><u>(166,607)</u></u>

SOUTHWESTERN ELECTRIC POWER COMPANY
ITC UTILIZED - STAND ALONE
1962 through 1994

Line No	Year	Per Latest Tax Return Filed and IRS Adjustments	ITC	Recapture
		QPE and Other		
1	1962	\$195,901	\$0	\$0
2	1963	253,366	0	0
3	1964	730,037	0	0
4	1965	353,884	0	0
5	1966	310,492	0	0
6	1967	434,559	0	0
7	1968	519,612	0	0
8	1969	446,905	0	0
9	1970	806,967	0	0
10	1971	1,026,659	0	0
11				
12		\$5,078,382	\$0	\$0
13				
14	1972	765,677	0	0
15	1973	708,658	0	0
16	1974	2,120,843	0	0
17	1975	1,827,216	0	0
18	1976	7,431,095	0	0
19	1977	14,506,592	0	0
20	1978	6,141,855	0	0
21	1979	14,320,661	0	0
22	1980	14,846,272	0	0
23	1981	10,312,084	0	0
24	1982	5,888,871	0	0
25	1983	4,437,846	0	0
26	1984	39,659,467	0	0
27	1985	17,883,155	0	0
28	1986	1,444,342	0	0
29	1987	0	0	0
30	1988	0	0	0
31	1989	0	0	0
32	1990	0	0	0
33	1991	0	0	0
34	1992	0	0	0
35	1993	0	0	0
36	1994	0	0	0
37				
38		\$142,294,634	\$0	\$0
39				
40		\$147,373,016	\$0	\$0

**SOUTHWESTERN ELECTRIC POWER COMPANY
ITC GENERATED BUT NOT UTILIZED**

The Company has utilized all Investment Tax Credits generated.

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1962

Line No.			SWEPCO
1	Ordinary Taxable Income		\$14,253,074
2	Adjustments		0
3	Taxable Income		<u>\$14,253,074</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	30%	4,275,922
5	Surtax on Taxable Income Over \$25,000	22%	3,130,176
6	Special Tax Adjustments		0
7	Tax Liability Before Credits		<u>7,406,098</u>
	Investment Tax Credits Generated:		
8	Investment Tax Credit		195,901
9	ITC Recapture		<u>0</u>
10	Tax Liability after Credits		<u>\$7,210,197</u>
	Investment Tax Credit Calculation:		
11	Total Tax Liability Before Credits		\$7,406,098
12	ITC Limitation		<u>(25,000)</u>
13			7,381,098
14	Utility Limitation		<u>50%</u>
15			3,690,549
16			<u>25,000</u>
17	Investment Tax Credit Limitation		3,715,549
18	ITC Utilized (Lesser of Generated or Limitation)		<u>195,901</u>
19	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1963

Line No.			SWEPCO
1	Ordinary Taxable Income		\$14,862,526
2	Adjustments		0
3	Taxable Income		<u>\$14,862,526</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	30%	4,458,758
5	Surtax on Taxable Income Over \$25,000	22%	3,264,256
6	Special Tax Adjustments		0
7	Tax Liability Before Credits		<u>7,723,014</u>
	Investment Tax Credits Generated:		
8	Investment Tax Credit		253,366
9	ITC Recapture		<u>0</u>
10	Tax Liability after Credits		<u>\$7,469,648</u>
	Investment Tax Credit Calculation:		
11	Total Tax Liability Before Credits		\$7,723,014
12	ITC Limitation		<u>(25,000)</u>
13			7,698,014
14	Utility Limitation		<u>50%</u>
15			3,849,007
16			<u>25,000</u>
17	Investment Tax Credit Limitation		3,874,007
18	ITC Utilized (Lesser of Generated or Limitation)		<u>253,366</u>
19	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1964

Line No.			SWEPCO
1	Ordinary Taxable Income		\$16,165,389
2	Adjustments		0
3	Taxable Income		<u>\$16,165,389</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	22%	3,556,386
5	Surtax on Taxable Income Over \$25,000	28%	4,519,309
6	Special Tax Adjustments		0
7	Tax Liability Before Credits		<u>8,075,695</u>
	Investment Tax Credits Generated:		
8	Investment Tax Credit		730,037
9	ITC Recapture		<u>0</u>
10	Tax Liability after Credits		<u>\$7,345,658</u>
	Investment Tax Credit Calculation:		
11	Total Tax Liability Before Credits		\$8,075,695
12	ITC Limitation		<u>(25,000)</u>
13			8,050,695
14	Utility Limitation		<u>50%</u>
15			4,025,348
16			<u>25,000</u>
17	Investment Tax Credit Limitation		4,050,348
18	ITC Utilized (Lesser of Generated or Limitation)		<u>730,037</u>
19	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1965

Line No.			SWEPCO
1	Ordinary Taxable Income		\$16,642,012
2	Adjustments		0
3	Taxable Income		<u>\$16,642,012</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	22%	3,661,243
5	Surtax on Taxable Income Over \$25,000	26%	4,320,423
6	Special Tax Adjustments		0
7	Tax Liability Before Credits		<u>7,981,666</u>
	Investment Tax Credits Generated:		
8	Investment Tax Credit		353,884
9	ITC Recapture		<u>0</u>
10	Tax Liability after Credits		<u>\$7,627,782</u>
	Investment Tax Credit Calculation:		
11	Total Tax Liability Before Credits		\$7,981,666
12	ITC Limitation		<u>(25,000)</u>
13			7,956,666
14	Utility Limitation		<u>50%</u>
15			3,978,333
16			<u>25,000</u>
17	Investment Tax Credit Limitation		4,003,333
18	ITC Utilized (Lesser of Generated or Limitation)		<u>353,884</u>
19	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1966

Line No.			SWEPCO
1	Ordinary Taxable Income		\$17,435,438
2	Adjustments		0
3	Taxable Income		<u>\$17,435,438</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	22%	3,835,796
5	Surtax on Taxable Income Over \$25,000	26%	4,526,714
6	Special Tax Adjustments		0
7	Tax Liability Before Credits		<u>8,362,510</u>
	Investment Tax Credits Generated:		
8	Investment Tax Credit		310,492
9	ITC Recapture		<u>0</u>
10	Tax Liability after Credits		<u>\$8,052,018</u>
	Investment Tax Credit Calculation:		
11	Total Tax Liability Before Credits		\$8,362,510
12	ITC Limitation		<u>(25,000)</u>
13			8,337,510
14	Utility Limitation		<u>50%</u>
15			4,168,755
16			<u>25,000</u>
17	Investment Tax Credit Limitation		4,193,755
18	ITC Utilized (Lesser of Generated or Limitation)		<u>310,492</u>
19	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1967

Line No.			SWEPCO
1	Ordinary Taxable Income		\$17,882,797
2	Adjustments		0
3	Taxable Income		<u>\$17,882,797</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	22%	3,934,215
5	Surtax on Taxable Income Over \$25,000	26%	4,643,027
6	Special Tax Adjustments		0
7	Tax Liability Before Credits		<u>8,577,242</u>
	Investment Tax Credits Generated:		
8	Investment Tax Credit		434,559
9	ITC Recapture		<u>0</u>
10	Tax Liability after Credits		<u>\$8,142,683</u>
	Investment Tax Credit Calculation:		
11	Total Tax Liability Before Credits		\$8,577,242
12	ITC Limitation		<u>(25,000)</u>
13			8,552,242
14	Utility Limitation		<u>50%</u>
15			4,276,121
16			<u>25,000</u>
17	Investment Tax Credit Limitation		4,301,121
18	ITC Utilized (Lesser of Generated or Limitation)		<u>434,559</u>
19	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1968

Line No.			SWEPCO
1	Ordinary Taxable Income		\$20,725,830
2	Adjustments		0
3	Taxable Income		<u>\$20,725,830</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	22%	4,559,683
5	Surtax on Taxable Income Over \$25,000	26%	5,382,216
6	Special Tax Adjustments		0
7	Tax Liability Before Credits		<u>9,941,899</u>
	Investment Tax Credits Generated:		
8	Investment Tax Credit		519,612
9	ITC Recapture		<u>0</u>
10	Tax Liability after Credits		<u>\$9,422,287</u>
	Investment Tax Credit Calculation:		
11	Total Tax Liability Before Credits		\$9,941,899
12	ITC Limitation		<u>(25,000)</u>
13			9,916,899
14	Utility Limitation		<u>50%</u>
15			4,958,450
16			<u>25,000</u>
17	Investment Tax Credit Limitation		4,983,450
18	ITC Utilized (Lesser of Generated or Limitation)		<u>519,612</u>
19	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1969

Line No.			SWEPCO
1	Ordinary Taxable Income		\$21,648,705
2	Adjustments		0
3	Taxable Income		<u>\$21,648,705</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	22%	4,762,715
5	Surtax on Taxable Income Over \$25,000	26%	5,622,163
6	Special Tax Adjustments		0
7	Tax Liability Before Credits		<u>10,384,878</u>
	Investment Tax Credits Generated:		
8	Investment Tax Credit		446,905
9	ITC Recapture		<u>0</u>
10	Tax Liability after Credits		<u>\$9,937,973</u>
	Investment Tax Credit Calculation:		
11	Total Tax Liability Before Credits		\$10,384,878
12	ITC Limitation		<u>(25,000)</u>
13			10,359,878
14	Utility Limitation		<u>50%</u>
15			5,179,939
16			<u>25,000</u>
17	Investment Tax Credit Limitation		5,204,939
18	ITC Utilized (Lesser of Generated or Limitation)		<u>446,905</u>
19	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1970

Line No.			SWEPCO
1	Ordinary Taxable Income		\$23,231,908
2	Adjustments		0
3	Taxable Income		<u>\$23,231,908</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	22%	5,111,020
5	Surtax on Taxable Income Over \$25,000	26%	6,033,796
6	Special Tax Adjustments		0
7	Tax Liability Before Credits		<u>11,144,816</u>
	Investment Tax Credits Generated:		
8	Investment Tax Credit		806,967
9	ITC Recapture		<u>0</u>
10	Tax Liability after Credits		<u>\$10,337,849</u>
	Investment Tax Credit Calculation:		
11	Total Tax Liability Before Credits		\$11,144,816
12	ITC Limitation		<u>(25,000)</u>
13			11,119,816
14	Utility Limitation		<u>50%</u>
15			5,559,908
16			<u>25,000</u>
17	Investment Tax Credit Limitation		5,584,908
18	ITC Utilized (Lesser of Generated or Limitation)		<u>806,967</u>
19	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1971

Line No.			SWEPCO
1	Ordinary Taxable Income		\$19,971,395
2	Adjustments		0
3	Taxable Income		<u>\$19,971,395</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	22%	4,393,707
5	Surtax on Taxable Income Over \$25,000	26%	5,186,063
6	Special Tax Adjustments		0
7	Tax Liability Before Credits		<u>9,579,770</u>
	Investment Tax Credits Generated:		
8	Investment Tax Credit		1,026,659
9	ITC Recapture		<u>0</u>
10	Tax Liability after Credits		<u>\$8,553,111</u>
	Investment Tax Credit Calculation:		
11	Total Tax Liability Before Credits		\$9,579,770
12	ITC Limitation		<u>(25,000)</u>
13			9,554,770
14	Utility Limitation		<u>50%</u>
15			4,777,385
16			<u>25,000</u>
17	Investment Tax Credit Limitation		4,802,385
18	ITC Utilized (Lesser of Generated or Limitation)		<u>1,026,659</u>
19	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1972

Line No			SWEPCO
1	Ordinary Taxable Income		\$24,837,530
2	Adjustments		0
3	Taxable Income		<u>\$24,837,530</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	22%	5,464,257
5	Surtax on Taxable Income Over \$25,000	26%	6,451,258
6	Special Tax Adjustments		0
7	Tax Liability Before Credits		<u>11,915,515</u>
	Investment Tax Credits Generated:		
8	Investment Tax Credit		765,677
9	ITC Recapture		0
10	Tax Liability after Credits		<u>\$11,149,838</u>
	Investment Tax Credit Calculation:		
11	Total Tax Liability Before Credits		\$11,915,515
12	ITC Limitation		<u>(25,000)</u>
13			11,890,515
14	Utility Limitation		<u>50%</u>
15			5,945,258
16			<u>25,000</u>
17	Investment Tax Credit Limitation		5,970,258
18	ITC Utilized (Lesser of Generated or Limitation)		<u>765,677</u>
19	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1973

Line No.			SWEPCO
1	Ordinary Taxable Income		\$26,995,794
2	Adjustments		0
3	Taxable Income		<u>\$26,995,794</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	22%	5,939,075
5	Surtax on Taxable Income Over \$25,000	26%	7,012,406
6	Special Tax Adjustments		0
7	Tax Liability Before Credits		<u>12,951,481</u>
	Investment Tax Credits Generated:		
8	Investment Tax Credit		708,658
9	ITC Recapture		<u>0</u>
10	Tax Liability after Credits		<u>\$12,242,823</u>
	Investment Tax Credit Calculation:		
11	Total Tax Liability Before Credits		\$12,951,481
12	ITC Limitation		<u>(25,000)</u>
13			12,926,481
14	Utility Limitation		<u>50%</u>
15			6,463,241
16			<u>25,000</u>
17	Investment Tax Credit Limitation		6,488,241
18	ITC Utilized (Lesser of Generated or Limitation)		<u>708,658</u>
19	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1974

Line No.			SWEPCO
1	Ordinary Taxable Income		\$28,983,958
2	Adjustments		0
3	Taxable Income		<u>\$28,983,958</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	22%	6,376,471
5	Surtax on Taxable Income Over \$25,000	26%	7,529,329
6	Special Tax Adjustments		0
7	Tax Liability Before Credits		<u>13,905,800</u>
	Investment Tax Credits Generated:		
8	Investment Tax Credit		2,120,843
9	ITC Recapture		<u>0</u>
10	Tax Liability after Credits		<u>\$11,784,957</u>
	Investment Tax Credit Calculation:		
11	Total Tax Liability Before Credits		\$13,905,800
12	ITC Limitation		<u>(25,000)</u>
13			13,880,800
14	Utility Limitation		<u>50%</u>
15			6,940,400
16			<u>25,000</u>
17	Investment Tax Credit Limitation		6,965,400
18	ITC Utilized (Lesser of Generated or Limitation)		<u>2,120,843</u>
19	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1975

Line No.			SWEPCO
1	Ordinary Taxable Income		\$23,840,326
2	Adjustments		0
3	Taxable Income		<u>\$23,840,326</u>
	Income Tax Computation:		
4	Tax on Ordinary Taxable Income	20%	4,768,065
5	Surtax on Taxable Income Over \$25,000	2%	476,307
6	Surtax on Taxable Income Over \$50,000	26%	6,185,485
7	Special Tax Adjustments		<u>0</u>
8	Tax Liability Before Credits		11,429,857
	Investment Tax Credits Generated:		
9	Investment Tax Credit		1,827,216
10	ITC Recapture		<u>0</u>
11	Tax Liability after Credits		<u>\$9,602,641</u>
	Investment Tax Credit Calculation:		
12	Total Tax Liability Before Credits		\$11,429,857
13	ITC Limitation		<u>(25,000)</u>
14			11,404,857
15	Utility Limitation		<u>100%</u>
16			11,404,857
17			<u>25,000</u>
18	Investment Tax Credit Limitation		11,429,857
19	ITC Utilized (Lesser of Generated or Limitation)		<u>1,827,216</u>
20	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1976

Line No.			SWEPCO
1	Ordinary Taxable Income		\$19,220,393
2	Adjustments		0
3	Taxable Income		<u>\$19,220,393</u>
	Income Tax Computation:		
4	Tax on First \$25,000 of Ordinary Taxable Income	20%	5,000
5	Tax on Next \$25,000 of Ordinary Taxable Income	22%	5,500
6	Tax on Remaining Ordinary Taxable Income	48%	9,201,789
7	Special Tax Adjustments		<u>0</u>
8	Tax Liability Before Credits		9,212,289
	Investment Tax Credits Generated:		
9	Investment Tax Credit		7,431,095
10	ITC Recapture		<u>0</u>
11	Tax Liability after Credits		<u>\$1,781,194</u>
	Investment Tax Credit Calculation:		
12	Total Tax Liability Before Credits		\$9,212,289
13	ITC Limitation		<u>(25,000)</u>
14			9,187,289
15	Utility Limitation		<u>100%</u>
16			9,187,289
17			<u>25,000</u>
18	Investment Tax Credit Limitation		9,212,289
19	ITC Utilized (Lesser of Generated or Limitation)		<u>7,431,095</u>
20	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1977

Line No.			SWEPCO
1	Ordinary Taxable Income		\$28,646,399
2	Adjustments		0
3	Taxable Income		<u>\$28,646,399</u>
	Income Tax Computation:		
4	Tax on First \$25,000 of Ordinary Taxable Income	20%	5,000
5	Tax on Next \$25,000 of Ordinary Taxable Income	22%	5,500
6	Tax on Remaining Ordinary Taxable Income	48%	13,726,272
7	Special Tax Adjustments		<u>0</u>
8	Tax Liability Before Credits		13,736,772
	Investment Tax Credits Generated:		
9	Investment Tax Credit		14,506,592
10	ITC Recapture		<u>0</u>
11	Tax Liability after Credits		<u>\$0</u>
	Investment Tax Credit Calculation:		
12	Total Tax Liability Before Credits		\$13,736,772
13	ITC Limitation		<u>(25,000)</u>
14			13,711,772
15	Utility Limitation		<u>90%</u>
16			12,340,595
17			<u>25,000</u>
18	Investment Tax Credit Limitation		12,365,595
19	ITC Utilized (Lesser of Generated or Limitation)		<u>12,365,595</u>
20	ITC Generated in Excess of Limitation		<u>\$2,140,997</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1978

Line No.			SWEPCO
1	Ordinary Taxable Income		\$27,264,541
2	Adjustments		0
3	Taxable Income		<u>\$27,264,541</u>
	Income Tax Computation:		
4	Tax on First \$25,000 of Ordinary Taxable Income	20%	5,000
5	Tax on Next \$25,000 of Ordinary Taxable Income	22%	5,500
6	Tax on Remaining Ordinary Taxable Income	48%	13,062,980
7	Special Tax Adjustments		<u>0</u>
8	Tax Liability Before Credits		13,073,480
	Investment Tax Credits Generated:		
9	Investment Tax Credit		6,141,855
10	ITC Recapture		<u>0</u>
11	Tax Liability after Credits		<u>\$6,931,625</u>
	Investment Tax Credit Calculation:		
12	Total Tax Liability Before Credits		\$13,073,480
13	ITC Limitation		<u>(25,000)</u>
14			13,048,480
15	Utility Limitation		<u>80%</u>
16			10,438,784
17			<u>25,000</u>
18	Investment Tax Credit Limitation		10,463,784
19	ITC Utilized (Lesser of Generated or Limitation)		<u>6,141,855</u>
20	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1979

Line No.			SWEPCO
1	Ordinary Taxable Income		\$22,957,013
2	Adjustments		0
3	Taxable Income		<u>\$22,957,013</u>
	Income Tax Computation:		
4	Tax on First \$25,000 of Ordinary Taxable Income	17%	4,250
5	Tax on Next \$25,000 of Ordinary Taxable Income	20%	5,000
6	Tax on Next \$25,000 of Ordinary Taxable Income	30%	7,500
7	Tax on Next \$25,000 of Ordinary Taxable Income	40%	10,000
8	Tax on Remaining Ordinary Taxable Income	46%	10,514,226
9	Special Tax Adjustments		0
			<u>10,540,976</u>
10	Tax Liability Before Credits		10,540,976
	Investment Tax Credits Generated:		
11	Investment Tax Credit		14,320,661
12	ITC Recapture		<u>0</u>
13	Tax Liability after Credits		<u>\$0</u>
	Investment Tax Credit Calculation:		
14	Total Tax Liability Before Credits		\$10,540,976
15	ITC Limitation		<u>(25,000)</u>
16			10,515,976
17	Utility Limitation		<u>70%</u>
18			7,361,183
19			<u>25,000</u>
20	Investment Tax Credit Limitation		7,386,183
21	ITC Utilized (Lesser of Generated or Limitation)		<u>7,386,183</u>
22	ITC Generated in Excess of Limitation		<u>\$6,934,478</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1980

Line No.			SWEPCO
1	Ordinary Taxable Income		\$34,484,789
2	Adjustments		0
3	Taxable Income		<u>\$34,484,789</u>
	Income Tax Computation:		
4	Tax on First \$25,000 of Ordinary Taxable Income	17%	4,250
5	Tax on Next \$25,000 of Ordinary Taxable Income	20%	5,000
6	Tax on Next \$25,000 of Ordinary Taxable Income	30%	7,500
7	Tax on Next \$25,000 of Ordinary Taxable Income	40%	10,000
8	Tax on Remaining Ordinary Taxable Income	46%	15,817,003
9	Special Tax Adjustments		0
			<hr/>
10	Tax Liability Before Credits		15,843,753
	Investment Tax Credits Generated:		
11	Investment Tax Credit		14,846,272
12	ITC Recapture		<u>0</u>
13	Tax Liability after Credits		<u>\$997,481</u>
	Investment Tax Credit Calculation:		
14	Total Tax Liability Before Credits		\$15,843,753
15	ITC Limitation		<u>(25,000)</u>
16			15,818,753
17	Utility Limitation		<u>70%</u>
18			11,073,127
19			<u>25,000</u>
20	Investment Tax Credit Limitation		11,098,127
21	ITC Utilized (Lesser of Generated or Limitation)		<u>11,098,127</u>
22	ITC Generated in Excess of Limitation		<u>\$3,748,145</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1981

Line No.		SWEPCO
1	Ordinary Taxable Income	\$59,417,102
2	Adjustments	0
3	Taxable Income	<u>\$59,417,102</u>
	Income Tax Computation:	
4	Tax on First \$25,000 of Ordinary Taxable Income	17% 4,250
5	Tax on Next \$25,000 of Ordinary Taxable Income	20% 5,000
6	Tax on Next \$25,000 of Ordinary Taxable Income	30% 7,500
7	Tax on Next \$25,000 of Ordinary Taxable Income	40% 10,000
8	Tax on Remaining Ordinary Taxable Income	46% 27,285,867
9	Special Tax Adjustments	0
		<hr/>
10	Tax Liability Before Credits	27,312,617
	Investment Tax Credits Generated:	
11	Investment Tax Credit	10,312,084
12	ITC Recapture	<u>0</u>
13	Tax Liability after Credits	<u>\$17,000,533</u>
	Investment Tax Credit Calculation:	
14	Total Tax Liability Before Credits	\$27,312,617
15	ITC Limitation	<u>(25,000)</u>
16		27,287,617
17	Utility Limitation	<u>80%</u>
18		21,830,094
19		<u>25,000</u>
20	Investment Tax Credit Limitation	21,855,094
21	ITC Utilized (Lesser of Generated or Limitation)	<u>10,312,084</u>
22	ITC Generated in Excess of Limitation	<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7 5c --- ITC Utilized - Stand Alone
1982

Line No.			SWEPCO
1	Ordinary Taxable Income		\$59,697,100
2	Adjustments		0
3	Taxable Income		<u>\$59,697,100</u>
	Income Tax Computation.		
4	Tax on First \$25,000 of Ordinary Taxable Income	16%	4,000
5	Tax on Next \$25,000 of Ordinary Taxable Income	19%	4,750
6	Tax on Next \$25,000 of Ordinary Taxable Income	30%	7,500
7	Tax on Next \$25,000 of Ordinary Taxable Income	40%	10,000
8	Tax on Remaining Ordinary Taxable Income	46%	27,414,666
9	Special Tax Adjustments		0
			<u></u>
10	Tax Liability Before Credits		27,440,916
	Investment Tax Credits Generated:		
11	Investment Tax Credit		5,888,871
12	ITC Recapture		<u>0</u>
13	Tax Liability after Credits		<u>\$21,552,045</u>
	Investment Tax Credit Calculation:		
14	Total Tax Liability Before Credits		\$27,440,916
15	ITC Limitation		<u>(25,000)</u>
16			27,415,916
17	Utility Limitation		<u>90%</u>
18			24,674,324
19			<u>25,000</u>
20	Investment Tax Credit Limitation		24,699,324
21	ITC Utilized (Lesser of Generated or Limitation)		<u>5,888,871</u>
22	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1983

Line No.			SWEPCO
1	Ordinary Taxable Income		\$57,113,527
2	Adjustments		0
3	Taxable Income		<u>\$57,113,527</u>
	Income Tax Computation:		
4	Tax on First \$25,000 of Ordinary Taxable Income	15%	3,750
5	Tax on Next \$25,000 of Ordinary Taxable Income	18%	4,500
6	Tax on Next \$25,000 of Ordinary Taxable Income	30%	7,500
7	Tax on Next \$25,000 of Ordinary Taxable Income	40%	10,000
8	Tax on Remaining Ordinary Taxable Income	46%	26,226,222
9	Special Tax Adjustments		0
			<u></u>
10	Tax Liability Before Credits		26,251,972
	Investment Tax Credits Generated:		
11	Investment Tax Credit		4,437,846
12	ITC Recapture		<u>0</u>
13	Tax Liability after Credits		<u>\$21,814,126</u>
	Investment Tax Credit Calculation:		
14	Total Tax Liability Before Credits		\$26,251,972
15	ITC Limitation		<u>(25,000)</u>
16			26,226,972
17	Utility Limitation		<u>85%</u>
18			22,292,926
19			<u>25,000</u>
20	Investment Tax Credit Limitation		22,317,926
21	ITC Utilized (Lesser of Generated or Limitation)		<u>4,437,846</u>
22	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1984

Line No.			SWEPCO
1	Ordinary Taxable Income		\$73,644,700
2	Adjustments		0
3	Taxable Income		<u>\$73,644,700</u>
	Income Tax Computation:		
4	Tax on First \$25,000 of Ordinary Taxable Income	15%	3,750
5	Tax on Next \$25,000 of Ordinary Taxable Income	18%	4,500
6	Tax on Next \$25,000 of Ordinary Taxable Income	30%	7,500
7	Tax on Next \$25,000 of Ordinary Taxable Income	40%	10,000
8	Tax on Remaining Ordinary Taxable Income	46%	33,830,562
9	Special Tax Adjustments		0
			<u></u>
10	Tax Liability Before Credits		33,856,312
	Investment Tax Credits Generated.		
11	Investment Tax Credit		39,659,467
12	ITC Recapture		<u>0</u>
13	Tax Liability after Credits		<u>\$0</u>
	Investment Tax Credit Calculation:		
14	Total Tax Liability Before Credits		\$33,856,312
15	ITC Limitation		<u>(25,000)</u>
16			33,831,312
17	Utility Limitation		<u>85%</u>
18			28,756,615
19			<u>25,000</u>
20	Investment Tax Credit Limitation		28,781,615
21	ITC Utilized (Lesser of Generated or Limitation)		<u>28,781,615</u>
22	ITC Generated in Excess of Limitation		<u>\$10,877,852</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1985

Line No.			SWEPCO
1	Ordinary Taxable Income		\$83,215,626
2	Adjustments		0
3	Taxable Income		<u>\$83,215,626</u>
	Income Tax Computation:		
4	Tax on First \$25,000 of Ordinary Taxable Income	15%	3,750
5	Tax on Next \$25,000 of Ordinary Taxable Income	18%	4,500
6	Tax on Next \$25,000 of Ordinary Taxable Income	30%	7,500
7	Tax on Next \$25,000 of Ordinary Taxable Income	40%	10,000
8	Tax on Remaining Ordinary Taxable Income	46%	38,233,188
9	Special Tax Adjustments		0
			<u></u>
10	Tax Liability Before Credits		38,258,938
	Investment Tax Credits Generated:		
11	Investment Tax Credit		17,883,155
12	ITC Recapture		<u>0</u>
13	Tax Liability after Credits		<u>\$20,375,783</u>
	Investment Tax Credit Calculation:		
14	Total Tax Liability Before Credits		\$38,258,938
15	ITC Limitation		<u>(25,000)</u>
16			38,233,938
17	Utility Limitation		<u>85%</u>
18			32,498,847
19			<u>25,000</u>
20	Investment Tax Credit Limitation		32,523,847
21	ITC Utilized (Lesser of Generated or Limitation)		<u>17,883,155</u>
22	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1986

Line No.			SWEPCO
1	Ordinary Taxable Income		\$71,127,058
2	Adjustments		0
3	Taxable Income		<u>\$71,127,058</u>
4	Income Tax Computation: Tax on Ordinary Taxable Income	46%	32,718,447
5	Special Tax Adjustments		0
6	Tax Liability Before Credits		<u>32,718,447</u>
7	Investment Tax Credits Generated: Investment Tax Credit		1,444,342
8	ITC Recapture		<u>0</u>
9	Tax Liability after Credits		<u>\$31,274,105</u>
10	Investment Tax Credit Calculation: Total Tax Liability Before Credits		\$32,718,447
11	ITC Limitation		<u>(25,000)</u>
12			32,693,447
13	Utility Limitation		<u>75%</u>
14			24,520,085
15			<u>25,000</u>
16	Investment Tax Credit Limitation		24,545,085
17	ITC Utilized (Lesser of Generated or Limitation)		<u>1,444,342</u>
18	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
1987

Line No.			SWEPCO
1	Ordinary Taxable Income		\$104,101,539
2	Adjustments		0
3	Taxable Income		<u>\$104,101,539</u>
4	Income Tax Computation: Tax on Ordinary Taxable Income	39.95%	41,588,565
5	Special Tax Adjustments		<u>0</u>
6	Tax Liability Before Credits		41,588,565
7	Investment Tax Credits Generated: Investment Tax Credit		0
8	ITC Recapture		<u>0</u>
9	Tax Liability after Credits		<u>\$41,588,565</u>
10	Investment Tax Credit Calculation: Total Tax Liability Before Credits		\$41,588,565
11	ITC Limitation		<u>(25,000)</u>
12			41,563,565
13	Utility Limitation		<u>75%</u>
14			31,172,674
15			<u>25,000</u>
16	Investment Tax Credit Limitation		31,197,674
17	ITC Utilized (Lesser of Generated or Limitation)		<u>0</u>
18	ITC Generated in Excess of Limitation		<u>\$0</u>

SOUTHWESTERN ELECTRIC POWER COMPANY
Schedule G-7.5c --- ITC Utilized - Stand Alone
RECONCILIATION TO SCHEDULE G-7.5a

Line No.		G-7.5a	G-7.5c	Difference
1	1962	\$195,901	195,901	0
2	1963	253,366	253,366	0
3	1964	730,037	730,037	0
4	1965	353,884	353,884	0
5	1966	310,492	310,492	0
6	1967	434,559	434,559	0
7	1968	519,612	519,612	0
8	1969	446,905	446,905	0
9	1970	806,967	806,967	0
10	1971	1,026,659	1,026,659	0
11	1972	765,677	765,677	0
12	1973	708,658	708,658	0
13	1974	2,120,843	2,120,843	0
14	1975	1,827,216	1,827,216	0
15	1976	7,431,095	7,431,095	0
16	1977	14,506,592	12,365,595	2,140,997
17	1978	6,141,855	6,141,855	0
18	1979	14,320,661	7,386,183	6,934,478
19	1980	14,846,272	11,098,127	3,748,145
20	1981	10,312,084	10,312,084	0
21	1982	5,888,871	5,888,871	0
22	1983	4,437,846	4,437,846	0
23	1984	39,659,467	28,781,615	10,877,852
24	1985	17,883,155	17,883,155	0
25	1986	1,444,342	1,444,342	0
26	1987	0	0	0
27	1988	0	0	0
28	1989	0	0	0
29	1990	0	0	0
30	1991	0	0	0
31	1992	0	0	0
32	1993	0	0	0
33	1994	0	0	0
34				
35				
36	Amortizable Base	<u>\$147,373,016</u>	<u>\$123,671,544</u>	<u>\$23,701,472</u>

ITC on a stand alone basis would have required carrying back and or forward the ITC. The Company's participation in the filing of a consolidated return and the allocation agreement allowed the company to currently utilize all ITC's.

The company benefitted by being able to currently utilize all credits. The customers benefitted by having these ITC's amortized to reduce tax expense and cost of service earlier than on a stand alone basis.

**SOUTHWESTERN ELECTRIC POWER COMPANY
ITC ELECTIONS**

The Company has made the following elections regarding investment tax credits:

1. Elected Section 46(f)(2) treatment of the credit for ratemaking purposes and for purposes of keeping the regulatory books of the Company.
2. Elected the additional investment credit amount in order to fund the Employee Stock Ownership Plan (ESOP).
3. Elected to claim the investment tax credit on Qualified Progress Expenditures (QPE's).
4. Elected a 10% rate with one-half tax basis reduction for years 1983-1985, in lieu of taking ITC at 8% with no tax basis reduction. ITC generated after 1985 was subject to a full basis reduction with no election available for a reduced ITC rate.

SOUTHWESTERN ELECTRIC POWER CO.
FERC ACCOUNT 255 BALANCE
FOR THE TEST YEAR ENDED March 31, 2020

Line No.	(1) Account Number	(2) Description	(3) Total
1	2550 001	Accumulated Deferred Investment Tax Credit	\$2,736,983

SOUTHWESTERN ELECTRIC POWER COMPANY
Analysis of Test Year FIT and Requested FIT
Tax Method 2
For the Test Year Ended March 31, 2020

Line No	(1) Description	(2) Test Year Actual	(3) Non Utility Adjustments	(4) Total Electric Per Books	(5) Non-Applicable Adjustments	(6) Proformas	(7) Post Test Yr Adjust	(8) Test Year Requested
1	Total Revenue Requirement	1,710,435,177	-	1,710,435,177	-	(555,064,766)	-	1,155,370,411
	Less: Cost of Service Items							
2	Synchronized Interest	110,771,975.66	3,028,965	113,800,940	-	135,924	-	113,936,864
3	Operations and Maintenance Expense	1,086,928,660	9,711,829	1,096,640,489	-	(544,464,825)	-	552,175,664.36
4	Decommissioning Expense	-	-	-	-	-	-	-
5	Depreciation and Amortization Expense	253,738,443	4,137,769	257,876,212	-	17,492,420	-	275,368,632
6	Other Amortization Expense	572,291	-	572,291	-	(572,291)	-	-
7	Interest on Customer Deposits	2,150,588	(2,150,588)	-	-	-	-	-
8	Taxes Other Than Income Taxes	100,074,968	452,365	100,527,333	-	(5,625,436)	-	94,901,897
9	Extraordinary Items	-	-	-	-	-	-	-
10	State Income Taxes	(1,037,390)	(327,374)	(1,364,764)	-	1,364,764	-	-
11	Other Revenue Credits & Below The Line Items	22,722,669	(22,722,669)	-	-	-	-	-
12	Total Cost of Service Items	1,575,922,205	(7,869,703)	1,568,052,502	-	(531,669,444)	-	1,036,383,058
13	Book Income Before Federal Income Tax	134,512,973	7,869,703	142,382,676		(23,395,322)	-	118,987,354
	Add or Subtract: Permanent & Flowthrough							
14	605T STOCK BASED COMP-CAREER SHARES-PERM	1,538,774	-	1,538,774	-	-	-	1,538,774
15	910B NON-DEDUCT MEALS AND T&E	542,023	-	542,023	-	-	-	542,023
16	910C NON-DEDUCT FINES&PENALTIES	455,089	(455,089)	-	-	-	-	-
17	910E NON-DEDUCT - MISCELLANEOUS	-	-	-	-	-	-	-
18	910S NON-DEDUCT LOBBYING	378,211	(378,211)	-	-	-	-	-
19	910U MEMBERSHIP DUES	-	-	-	-	-	-	-
20	910X NON-DEDUCTIBLE PARKING EXPENSE	-	-	-	-	-	-	-
21	980B RESTRICTED STOCK PLAN - TAX DEDUCTION	(73,596)	-	(73,596)	-	-	-	(73,596)
22	531A EQTY IN SUBSIDIARIES (US)	(30,831)	30,831	-	-	-	-	-
23	531B EQTY IN NON-CONSOLIDATED SUBS	(3,081,615)	3,081,615	-	-	-	-	-
24	330D AFUDC CAPITALIZED	(6,423,356)	6,423,356	-	-	-	-	-
25	921G ACCEL BOOK DEPLETION	(12,283,252)	-	(12,283,252)	-	(4,318,846)	-	(16,602,098)
26	280A EXCESS TX VS S/L BK DEPR	9,588,068	-	9,588,068	-	481,477	-	10,069,545
27	913D CHARITABLE CONTRIBUTION CARRYFRWD	-	-	-	-	-	-	-
28	651F DISALLOWED COSTS-TURK PLANT	(15,312)	-	(15,312)	15,312	-	-	-
29	Total Permanent & Flowthrough	(9,405,797)	8,702,502	(703,295)	15,312	(3,837,369)	-	(4,525,352)
	ADD. Income Subject to Tax Not Recorded On Books & Expenses Recorded on Books Not In Tax Return							
30	613K (ICDP)-INCENTIVE COMP DEFERRAL PLAN	-	-	-	-	-	-	-
31	230B 481 a BONUS DEPRECIATION	7,108,109	-	7,108,109	-	-	-	7,108,109
32	320A ABFUDC	-	-	-	-	-	-	-
33	605I ACCRD BK SUP SAVINGS PLAN EXP	-	-	-	-	-	-	-
34	906P ACCRD BOOK ARO EXPENSE - SFAS 143	22,877,836	-	22,877,836	-	-	-	22,877,836
35	612Y ACCRD COMPANYWIDE INCENTV PLAN	-	-	-	-	-	-	-
36	613F ACCRD ENVIRONMENTAL LIAB-LONG TERM	470,000	-	470,000	-	-	-	470,000
37	906F ACCRD OPEB COSTS - SFAS 158	-	-	-	-	-	-	-
38	906A ACCRD SFAS 106 PST RETIRE EXP	-	-	-	-	-	-	-
39	906K ACCRD SFAS 112 PST EMPLOY BEN	2,466,637	-	2,466,637	-	-	-	2,466,637
40	911V ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	761,734	-	761,734	(761,734)	-	-	-
41	911W ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	-	-	-	-	-	-	-
42	605F ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158	108,162	-	108,162	(108,162)	-	-	-
43	605K ACCRUED BK BENEFIT COSTS	-	-	-	-	-	-	-
44	605C ACCRUED BK PENSION COSTS - SFAS 158	-	-	-	-	-	-	-
45	605B ACCRUED BK PENSION EXPENSE	6,239,528	-	6,239,528	-	-	-	6,239,528
46	613E ACCRUED BOOK VACATION PAY	1,365,152	-	1,365,152	-	-	-	1,365,152

SOUTHWESTERN ELECTRIC POWER COMPANY
Analysis of Test Year FIT and Requested FIT
Tax Method 2
For the Test Year Ended March 31, 2020

Line No	(1) Description	(2) Test Year Actual	(3) Non Utility Adjustments	(4) Total Electric Per Books	(5) Non-Applicable Adjustments	(6) Proformas	(7) Post Test Yr Adjust	(8) Test Year Requested
47	615B ACCRUED INTEREST-LONG-TERM - FIN 48	-	-	-	-	-	-	-
48	615C ACCRUED INTEREST-SHORT-TERM - FIN 48	-	-	-	-	-	-	-
49	611E ACCRUED MINE RECLAMATION	2,644,004	-	2,644,004	(2,644,004)	-	-	-
50	605O ACCRUED PSI PLAN EXP	-	-	-	-	-	-	-
51	230A ACRS BENEFIT NORMALIZED	20,532,332	-	20,532,332	-	17,010,944	-	37,543,276
52	641I ADVANCE RENTAL INC (CUR MO)	245,856	-	245,856	-	-	-	245,856
53	433C AR - FUEL OVER/UNDER RECOVERY	12,743,384	-	12,743,384	(12,743,384)	-	-	-
54	900F BK DEFL-GAIN REACQUIRED DEBT	-	-	-	-	-	-	-
55	921A BK DEPLETION-MINERALS & RIGHTS	1,859,803	-	1,859,803	(1,859,803)	-	-	-
56	280H BK PLANT IN SERVICE - SFAS 143 - ARO	-	-	-	-	-	-	-
57	610A BK PROV UNCOLL ACCTS - ST	-	-	-	-	-	-	-
58	532D BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ	-	-	-	-	-	-	-
59	638A BOOK > TAX BASIS - EMA-A/C 283	81,199	-	81,199	(81,199)	-	-	-
60	930A BOOK > TAX BASIS-PRTSHP INVEST	-	-	-	-	-	-	-
61	711O BOOK LEASES CAPITALIZED FOR TAX	-	-	-	-	-	-	-
62	908B BOOK OPERATING LEASE - ASSET	37,433,869	-	37,433,869	-	-	-	37,433,869
63	908A BOOK OPERATING LEASE - LIAB	-	-	-	-	-	-	-
64	532C BOOK/TAX UNIT OF PROPERTY ADJ	-	-	-	-	-	-	-
65	534A CAPITALIZED RELOCATION COSTS	-	-	-	-	-	-	-
66	712K CAPITALIZED SOFTWARE COST-BOOK	-	-	-	-	-	-	-
67	711N CAPITALIZED SOFTWARE COSTS-TAX	31,298	-	31,298	-	-	-	31,298
68	390A CIAC - BOOK RECEIPTS	3,084,068	-	3,084,068	-	-	-	3,084,068
69	999Q-FIN48 DSIT - PERM - FIN 48	99,070	-	99,070	(99,070)	-	-	-
70	NOL-STATE C/F-DEF TAX ASSET-L/T	-	-	-	-	-	-	-
71	651W DISALLOWED COSTS-TX CWIP FINBASED INCEN-DIST	3,736,131	-	3,736,131	(3,736,131)	-	-	-
72	651X DISALLOWED COSTS-TX CWIP FINBASED INCEN-GEN	420,726	-	420,726	(420,726)	-	-	-
73	651T DISALLOWED COSTS-TX CWIP FINBASED INCEN-TRANS	623,615	-	623,615	(623,615)	-	-	-
74	651R DISALLOWED COSTS-TX DIST COSTS	106,369	-	106,369	(106,369)	-	-	-
75	651M DISALLOWED COSTS-TX DIST VEG MGT CST-AMORT	-	-	-	-	-	-	-
76	651S DISALLOWED COSTS-TX GEN COSTS	-	-	-	-	-	-	-
77	651Z DISALLOWED COSTS-TX RWIP FINBASED INCEN-DIST	186,561	-	186,561	(186,561)	-	-	-
78	653A DISALLOWED COSTS-TX RWIP FINBASED INCEN-GEN	27,499	-	27,499	(27,499)	-	-	-
79	651Y DISALLOWED COSTS-TX RWIP FINBASED INCEN-TRANS	12,075	-	12,075	(12,075)	-	-	-
80	651Q DISALLOWED COSTS-TX SERP COSTS	845	-	845	(845)	-	-	-
81	651I DISALLOWED COSTS-TX TRANS VEG MGT CST	400,440	-	400,440	(400,440)	-	-	-
82	651K DISALLOWED COSTS-TX TRANS VEG MGT CST-AMORT	-	-	-	-	-	-	-
83	651F DISALLOWED COSTS-TURK PLANT	-	-	-	-	-	-	-
84	651H DISALLOWED COSTS-TURK PLANT AUX BOILER	-	-	-	-	-	-	-
85	295A GAIN/LOSS ON ACRS/MACRS PROPERTY	-	-	-	-	-	-	-
86	380J INT EXP CAPITALIZED FOR TAX	6,630,653	-	6,630,653	-	-	-	6,630,653
87	940X IRS CAPITALIZATION ADJUSTMENT	-	-	-	-	-	-	-
88	433D LA - FUEL OVER/UNDER RECOVERY	-	-	-	-	-	-	-
89	900A LOSS ON REACQUIRED DEBT	816,807	-	816,807	-	-	-	816,807
90	234Q MACRS TAX DEPRECIATION - RAIL CARS	760,420	-	760,420	-	-	-	760,420
91	575E MTM BK GAIN-A/L-TAX DEFL	3,247,489	-	3,247,489	(3,247,489)	-	-	-
92	520Y PROV FOR RATE REFUND-EXCESS PROTECTED	1,510,556	(1,510,556)	-	-	-	-	-
93	520X PROV FOR RATE REFUND-TAX REFORM	-	-	-	-	-	-	-
94	602A PROV WORKER'S COMP	-	-	-	-	-	-	-
95	610V PROV-FAS 157 - A/L	19,049	-	19,049	(19,049)	-	-	-
96	520A PROVS POSS REV REFDS-A/L	-	-	-	-	-	-	-
97	980J PSI - STOCK BASED COMP	856,794	-	856,794	-	-	-	856,794
98	433A PUCT FUEL O/U RECOVERY-RETAIL	202,801	-	202,801	-	(202,801)	-	-
99	230X R & D DEDUCTION - SEC 174	-	-	-	-	-	-	-
100	630M RATE CASE DEFD CHGS	-	-	-	-	-	-	-
101	669J REG ASSET-ENERGY EFFICIENCY RECOVERY	639,915	(639,915)	-	-	-	-	-
102	670O REG ASSET-ENVIRONMENTAL CHEMICAL COST-AR	-	-	-	-	-	-	-

SOUTHWESTERN ELECTRIC POWER COMPANY
Analysis of Test Year FIT and Requested FIT
Tax Method 2
For the Test Year Ended March 31, 2020

Line No	(1) Description	(2) Test Year Actual	(3) Non Utility Adjustments	(4) Total Electric Per Books	(5) Non-Applicable Adjustments	(6) Proformas	(7) Post Test Yr Adjust	(8) Test Year Requested
103	672P REG ASSET-FACILITIES MAINT-SWEPKO LA	-	-	-	-	-	-	-
104	673U REG ASSET-LA 2015 FRP-SPP DEFERRAL	1,273,808	-	1,273,808	(1,273,808)	-	-	-
105	673V REG ASSET-LA 2015 FRP-UNREC EQUITY	-	-	-	-	-	-	-
106	668P REG ASSET-LA FRP ASSET	-	-	-	-	-	-	-
107	661U REG ASSET-NITS & BPF DEFERRALS	4,973,215	(4,973,215)	-	-	-	-	-
108	690F REG ASSET-NBV-ARO-RETIRED PLANTS	8,233	-	8,233	-	-	-	8,233
109	664V REG ASSET-NET CCS FEED STUDY COSTS	446,859	-	446,859	(446,859)	-	-	-
110	914B REG ASSET-SFAS 109 DSIT LIAB	-	-	-	-	-	-	-
111	660F REG ASSET-SFAS 143 - ARO	-	-	-	-	-	-	-
112	661T REG ASSET-SFAS 158 - OPEB	4,720,380	-	4,720,380	(4,720,380)	-	-	-
113	661R REG ASSET-SFAS 158 - PENSIONS	279,149	-	279,149	(279,149)	-	-	-
114	661S REG ASSET-SFAS 158 - SERP	-	-	-	-	-	-	-
115	669X REG ASSET-SWEPKO SHIPE ROAD	305,796	-	305,796	(305,796)	-	-	-
116	664A REG ASSET-UND/REC ENVIRON ADJ CLAUSE-LA	126,532	-	126,532	(126,532)	-	-	-
117	674R REG ASSET-UNDER RECOV-EXCESS TAX ETRR	-	-	-	-	-	-	-
118	673Z REG ASSET-WELSH 2 TX-UNDEPR BAL	507,598	(507,598)	-	-	-	-	-
119	673J REG ASSET-WELSH/FLINT CRK ENVIRON DEF	1,643,410	(1,643,410)	-	-	-	-	-
120	673K REG ASSET-WELSH/FLINT CRK ENVIRON-CONTRA	-	-	-	-	-	-	-
121	652G REG LIAB-UNREAL MTM GAIN-DEFL	-	-	-	-	-	-	-
122	910K REMOVAL CST	-	-	-	-	-	-	-
123	980A RESTRICTED STOCK PLAN	60,225	-	60,225	-	-	-	60,225
124	906Z SFAS 106 - MEDICARE SUBSIDY - (PPACA)-REG ASSET	533,310	-	533,310	-	-	-	533,310
125	906D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	-	-	-	-	-	-	-
126	914A SFAS 109 - DEFD SIT LIABILITY	3,183,036	-	3,183,036	(3,183,036)	-	-	-
127	605P STOCK BASED COMP-CAREER SHARES	4,406,124	-	4,406,124	-	-	-	4,406,124
128	605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	18,572	-	18,572	-	-	-	18,572
129	631G SWEPKO FUEL ADJUSTMENT CHARGE	-	-	-	-	-	-	-
130	280J TAX DEPRECIATION LOOKBACK	16,669,057	-	16,669,057	-	-	-	16,669,057
131	533J TX ACCEL AMORT - CAPITALIZED SOFTWARE	-	-	-	-	-	-	-
132	533A TX AMORT POLLUTION CONT EQPT	-	-	-	-	-	-	-
133	460A UNBILLED REVENUE	-	-	-	-	-	-	-
134	Total Income Subject to Tax Not Recorded on Books & Expenses Recorded on Books Not in Tax Return	179,506,090	(9,274,693)	170,231,396	(37,413,714)	16,808,142	-	149,625,824
LESS: Income Recorded on Books not in Tax Return and Deductions in Tax Return not on Books								
135	613K (ICDP)-INCENTIVE COMP DEFERRAL PLAN	43,448	-	43,448	-	-	-	43,448
136	230B 481 a BONUS DEPRECIATION	-	-	-	-	-	-	-
137	320A ABFUDC	3,975,107	-	3,975,107	-	-	-	3,975,107
138	605I ACCRD BK SUP SAVINGS PLAN EXP	1,029,734	-	1,029,734	-	-	-	1,029,734
139	906P ACCRD BOOK ARO EXPENSE - SFAS 143	-	-	-	-	-	-	-
140	612Y ACCRD COMPANYWIDE INCENTV PLAN	1,268,236	-	1,268,236	-	-	-	1,268,236
141	613F ACCRD ENVIRONMENTAL LIAB-LONG TERM	-	-	-	-	-	-	-
142	906F ACCRD OPEB COSTS - SFAS 158	4,720,380	-	4,720,380	(4,720,380)	-	-	-
143	906A ACCRD SFAS 106 PST RETIRE EXP	5,101,215	-	5,101,215	-	-	-	5,101,215
144	906K ACCRD SFAS 112 PST EMPLOY BEN	-	-	-	-	-	-	-
145	911V ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	-	-	-	-	-	-	-
146	911W ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	53,646	-	53,646	(53,646)	-	-	-
147	605F ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158	-	-	-	-	-	-	-
148	605K ACCRUED BK BENEFIT COSTS	29,207	-	29,207	-	-	-	29,207
149	605C ACCRUED BK PENSION COSTS - SFAS 158	279,149	-	279,149	(279,149)	-	-	-
150	605B ACCRUED BK PENSION EXPENSE	-	-	-	-	-	-	-
151	613E ACCRUED BOOK VACATION PAY	-	-	-	-	-	-	-
152	615B ACCRUED INTEREST-LONG-TERM - FIN 48	97,949	-	97,949	-	-	-	97,949
153	615C ACCRUED INTEREST-SHORT-TERM - FIN 48	22,066	-	22,066	(22,066)	-	-	-

SOUTHWESTERN ELECTRIC POWER COMPANY
Analysis of Test Year FIT and Requested FIT
Tax Method 2
For the Test Year Ended March 31, 2020

Line No	(1) Description	(2) Test Year Actual	(3) Non Utility Adjustments	(4) Total Electric Per Books	(5) Non-Applicable Adjustments	(6) Proformas	(7) Post Test Yr Adjust	(8) Test Year Requested
154	611E ACCRUED MINE RECLAMATION	-	-	-	-	-	-	-
155	605O ACCRUED PSI PLAN EXP	-	-	-	-	-	-	-
156	230A ACRS BENEFIT NORMALIZED	-	-	-	-	-	-	-
157	641I ADVANCE RENTAL INC (CUR MO)	-	-	-	-	-	-	-
158	433C AR - FUEL OVER/UNDER RECOVERY	-	-	-	-	-	-	-
159	900F BK DEFL-GAIN REACQUIRED DEBT	6,606	-	6,606	-	-	-	6,606
160	921A BK DEPLETION-MINERALS & RIGHTS	-	-	-	-	-	-	-
161	280H BK PLANT IN SERVICE - SFAS 143 - ARO	4,243,828	-	4,243,828	-	-	-	4,243,828
162	610A BK PROV UNCOLL ACCTS - ST	929,317	-	929,317	-	-	-	929,317
163	532D BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ	-	-	-	-	-	-	-
164	638A BOOK > TAX BASIS - EMA-A/C 283	-	-	-	-	-	-	-
165	930A BOOK > TAX BASIS-PRTSHP INVEST	1,709,758	-	1,709,758	-	-	-	1,709,758
166	711O BOOK LEASES CAPITALIZED FOR TAX	-	-	-	-	-	-	-
167	908B BOOK OPERATING LEASE - ASSET	-	-	-	-	-	-	-
168	908A BOOK OPERATING LEASE - LIAB	37,288,497	-	37,288,497	-	-	-	37,288,497
169	532C BOOK/TAX UNIT OF PROPERTY ADJ	56,990,768	-	56,990,768	-	-	-	56,990,768
170	534A CAPITALIZED RELOCATION COSTS	-	-	-	-	-	-	-
171	712K CAPITALIZED SOFTWARE COST-BOOK	18,964,726	-	18,964,726	-	-	-	18,964,726
172	711N CAPITALIZED SOFTWARE COSTS-TAX	-	-	-	-	-	-	-
173	390A CIAC - BOOK RECEIPTS	-	-	-	-	-	-	-
174	999Q-FIN48 DSIT - PERM - FIN 48	-	-	-	-	-	-	-
175	NOL-STATE C/F-DEF TAX ASSET-L/T	2,443,565	-	2,443,565	-	(2,443,565)	-	-
176	651W DISALLOWED COSTS-TX CWIP FINBASED INCEN-DIST	-	-	-	-	-	-	-
177	651X DISALLOWED COSTS-TX CWIP FINBASED INCEN-GEN	-	-	-	-	-	-	-
178	651T DISALLOWED COSTS-TX CWIP FINBASED INCEN-TRANS	-	-	-	-	-	-	-
179	651R DISALLOWED COSTS-TX DIST COSTS	-	-	-	-	-	-	-
180	651M DISALLOWED COSTS-TX DIST VEG MGT CST-AMORT	110,345	-	110,345	(110,345)	-	-	-
181	651S DISALLOWED COSTS-TX GEN COSTS	1,677	-	1,677	(1,677)	-	-	-
182	651Z DISALLOWED COSTS-TX RWIP FINBASED INCEN-DIST	-	-	-	-	-	-	-
183	653A DISALLOWED COSTS-TX RWIP FINBASED INCEN-GEN	-	-	-	-	-	-	-
184	651Y DISALLOWED COSTS-TX RWIP FINBASED INCEN-TRANS	-	-	-	-	-	-	-
185	651Q DISALLOWED COSTS-TX SERP COSTS	-	-	-	-	-	-	-
186	651I DISALLOWED COSTS-TX TRANS VEG MGT CST	-	-	-	-	-	-	-
187	651K DISALLOWED COSTS-TX TRANS VEG MGT CST-AMORT	31,417	-	31,417	(31,417)	-	-	-
188	651F DISALLOWED COSTS-TURK PLANT	1,069,965	-	1,069,965	(1,069,965)	-	-	-
189	651H DISALLOWED COSTS-TURK PLANT AUX BOILER	377,400	-	377,400	(377,400)	-	-	-
190	295A GAIN/LOSS ON ACRS/MACRS PROPERTY	-	-	-	-	-	-	-
191	380J INT EXP CAPITALIZED FOR TAX	-	-	-	-	-	-	-
192	940X IRS CAPITALIZATION ADJUSTMENT	-	-	-	-	-	-	-
193	433D LA - FUEL OVER/UNDER RECOVERY	1,869,042	-	1,869,042	(1,869,042)	-	-	-
194	900A LOSS ON REACQUIRED DEBT	-	-	-	-	-	-	-
195	234Q MACRS TAX DEPRECIATION - RAIL CARS	-	-	-	-	-	-	-
196	575E MTM BK GAIN-A/L-TAX DEFL	-	-	-	-	-	-	-
197	520Y PROV FOR RATE REFUND-EXCESS PROTECTED	-	-	-	-	-	-	-
198	520X PROV FOR RATE REFUND-TAX REFORM	4,023,793	-	4,023,793	-	-	-	4,023,793
199	602A PROV WORKER'S COMP	57,136	-	57,136	-	-	-	57,136
200	610V PROV-FAS 157 - A/L	-	-	-	-	-	-	-
201	520A PROVS POSS REV REFDS-A/L	19,652,752	-	19,652,752	-	(19,652,752)	-	-
202	980J PSI - STOCK BASED COMP	-	-	-	-	-	-	-
203	433A PUCT FUEL O/U RECOVERY-RETAIL	-	-	-	-	-	-	-
204	230X R & D DEDUCTION - SEC 174	1,400,000	-	1,400,000	-	-	-	1,400,000
205	630M RATE CASE DEFD CHGS	629,060	-	629,060	-	-	-	629,060
206	669J REG ASSET-ENERGY EFFICIENCY RECOVERY	-	-	-	-	-	-	-
207	670O REG ASSET-ENVIRONMENTAL CHEMICAL COST-AR	316,733	-	316,733	(316,733)	-	-	-
208	672P REG ASSET-FACILITIES MAINT-SWPCO LA	483,099	-	483,099	(483,099)	-	-	-
209	673U REG ASSET-LA 2015 FRP-SPP DEFERRAL	-	-	-	-	-	-	-

SOUTHWESTERN ELECTRIC POWER COMPANY
Analysis of Test Year FIT and Requested FIT
Tax Method 2
For the Test Year Ended March 31, 2020

Line No	(1) Description	(2) Test Year Actual	(3) Non Utility Adjustments	(4) Total Electric Per Books	(5) Non-Applicable Adjustments	(6) Proformas	(7) Post Test Yr Adjust	(8) Test Year Requested
210	673V REG ASSET-LA 2015 FRP-UNREC EQUITY	69,530	-	69,530	(69,530)	-	-	-
211	668P REG ASSET-LA FRP ASSET	708,939	-	708,939	(708,939)	-	-	-
212	661U REG ASSET-NITS & BPF DEFERRALS	-	-	-	-	-	-	-
213	690F REG ASSET-NBV-ARO-RETIRED PLANTS	-	-	-	-	-	-	-
214	664V REG ASSET-NET CCS FEED STUDY COSTS	-	-	-	-	-	-	-
215	914B REG ASSET-SFAS 109 DSIT LIAB	3,183,036	-	3,183,036	(3,183,036)	-	-	-
216	660F REG ASSET-SFAS 143 - ARO	1,967,764	-	1,967,764	(1,967,764)	-	-	-
217	661T REG ASSET-SFAS 158 - OPEB	-	-	-	-	-	-	-
218	661R REG ASSET-SFAS 158 - PENSIONS	-	-	-	-	-	-	-
219	661S REG ASSET-SFAS 158 - SERP	108,162	-	108,162	(108,162)	-	-	-
220	669X REG ASSET-SWEPSCO SHIPE ROAD	-	-	-	-	-	-	-
221	664A REG ASSET-UND/REC ENVIRON ADJ CLAUSE-LA	-	-	-	-	-	-	-
222	674R REG ASSET-UNDER RECOV-EXCESS TAX ETRR	216,585	-	216,585	-	-	-	216,585
223	673Z REG ASSET-WELSH 2 TX-UNDEPR BAL	-	-	-	-	-	-	-
224	673J REG ASSET-WELSH/FLINT CRK ENVIRON DEF	-	-	-	-	-	-	-
225	673K REG ASSET-WELSH/FLINT CRK ENVIRON-CONTRA	574,818	-	574,818	-	-	-	574,818
226	652G REG LIAB-UNREAL MTM GAIN-DEFL	2,864,927	-	2,864,927	(2,864,927)	-	-	-
227	910K REMOVAL CST	19,617,000	-	19,617,000	-	-	-	19,617,000
228	980A RESTRICTED STOCK PLAN	-	-	-	-	-	-	-
229	906Z SFAS 106 - MEDICARE SUBSIDY - (PPACA)-REG ASSET	-	-	-	-	-	-	-
230	906D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	-	-	-	-	-	-	-
231	914A SFAS 109 - DEFED SIT LIABILITY	-	-	-	-	-	-	-
232	605P STOCK BASED COMP-CAREER SHARES	-	-	-	-	-	-	-
233	605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	-	-	-	-	-	-	-
234	631G SWEPSCO FUEL ADJUSTMENT CHARGE	1,902,676	-	1,902,676	-	-	-	1,902,676
235	280J TAX DEPRECIATION LOOKBACK	-	-	-	-	-	-	-
236	533J TX ACCEL AMORT - CAPITALIZED SOFTWARE	-	-	-	-	-	-	-
237	533A TX AMORT POLLUTION CONT EQPT	12,553,437	-	12,553,437	-	-	-	12,553,437
238	460A UNBILLED REVENUE	-	-	-	-	-	-	-
239	Total Income Recorded on Books not in Tax Return and Deductions in Tax Return not on Books	212,986,491	-	212,986,491	(18,237,275)	(22,096,316)	-	172,652,900
240	Taxable Income	91,626,774	7,297,512	98,924,285	(19,161,127)	11,671,767	-	91,434,925
241	Tax Rate	21%	21%	21%	21%	21%	21%	21%
242	Regular Federal Income Taxes Before Credits	19,241,622	1,532,477	20,774,100	(4,023,837)	2,451,071	-	19,201,334
243	Prior Year T/R Adjustments to Current FIT	(8,011,022)	(1,625,753)	(9,636,775)	9,636,775	-	-	-
244	Tax Adjustments	(4,511,382)	(705,141)	(5,216,523)	5,216,523	-	-	-
245	Parent Company Tax Savings	(1,559,000)	1,559,000	-	-	-	-	-
246	Total Current Federal Income Taxes	5,160,218	760,583	5,920,802	10,829,461	2,451,071	-	19,201,334
247		5,160,218	2,708,269	7,868,487	-	-	-	-
248	Amortization of Regulated ITC	(1,624,687)	-	(1,624,687)	-	166,607	-	(1,458,080)
249	ITC Amortization	(1,624,687)	-	(1,624,687)	-	166,607	-	(1,458,080)
250	Deferred Tax	7,030,884	1,947,686	8,978,570	4,027,052	(8,169,936)	-	4,835,686
251	Prior Year T/R Adjustments to Deferred FIT	7,988,102	509,704	8,497,805	(8,497,805)	-	-	-
252	Tax Adjustments to Deferred FIT	(6,749,132)	989,769	(5,759,364)	5,759,364	-	-	-
253	Amortization of Excess DFIT	(23,275,137)	-	(23,275,137)	-	19,555,467	-	(3,719,670)
254	Total Deferred Income Taxes	(15,005,283)	3,447,158	(11,558,125)	1,288,610	11,385,531	-	1,116,016
255	Total Taxes	(11,469,753)	4,207,741	(7,262,010)	12,118,071	14,003,208	-	18,859,270

SOUTHWESTERN ELECTRIC POWER COMPANY
Analysis of Deferred Federal Income Taxes
For the Test Year Ended March 31, 2020

Line No.	Item Deferred	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Per 03/31/2020 Books		T Y E Total Electric		Amount Requested		
		Basis	(x) Tax Rate %	Basis	(x) Tax Rate %	Basis**	X 21%	
1	(ICDP)-INCENTIVE COMP DEFERRAL PLAN	(43,448)	9,124	(43,448)	9,124	(43,448)	9,124	
2	481 a BONUS DEPRECIATION	7,108,109	(1,492,703)	7,108,109	(1,492,703)	7,108,109	(1,492,703)	
3	ABFUDC	(3,975,107)	834,772	(3,975,107)	834,772	(3,975,107)	834,772	
4	ACCRD BK SUP. SAVINGS PLAN EXP	(1,029,734)	216,244	(1,029,734)	216,244	(1,029,734)	216,244	
5	ACCRD BOOK ARO EXPENSE - SFAS 143	22,877,836	(4,804,346)	22,877,836	(4,804,346)	22,877,836	(4,804,346)	
6	ACCRD COMPANYWIDE INCENTV PLAN	(1,268,236)	266,330	(1,268,236)	266,330	(1,268,236)	266,330	
7	ACCRD ENVIRONMENTAL LIAB-LONG TERM	470,000	(98,700)	470,000	(98,700)	470,000	(98,700)	
8	ACCRD OPEB COSTS - SFAS 158	(4,720,380)	991,280	(4,720,380)	991,280	0	0	
9	ACCRD SFAS 106 PST RETIRE EXP	(5,101,215)	1,071,255	(5,101,215)	1,071,255	(5,101,215)	1,071,255	
10	ACCRD SFAS 112 PST EMPLOY BEN	2,466,637	(517,994)	2,466,637	(517,994)	2,466,637	(517,994)	
11	ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	761,734	(159,964)	761,734	(159,964)	0	0	
12	ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	(53,646)	11,266	(53,646)	11,266	0	0	
13	ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158	108,162	(22,714)	108,162	(22,714)	0	0	
14	ACCRUED BK BENEFIT COSTS	(29,207)	6,134	(29,207)	6,134	(29,207)	6,134	
15	ACCRUED BK PENSION COSTS - SFAS 158	(279,149)	58,621	(279,149)	58,621	0	0	
16	ACCRUED BK PENSION EXPENSE	6,239,528	(1,310,301)	6,239,528	(1,310,301)	6,239,528	(1,310,301)	
17	ACCRUED BOOK VACATION PAY	1,365,152	(286,682)	1,365,152	(286,682)	1,365,152	(286,682)	
18	ACCRUED INTEREST-LONG-TERM - FIN 48	(97,949)	20,569	(97,949)	20,569	(97,949)	20,569	
19	ACCRUED INTEREST-SHORT-TERM - FIN 48	(22,066)	4,634	(22,066)	4,634	0	0	
20	ACCRUED MINE RECLAMATION	2,644,004	(555,241)	2,644,004	(555,241)	0	0	
21	ACCRUED PSI PLAN EXP	-	0	0	0	0	0	
22	ACRS BENEFIT NORMALIZED	20,532,332	(4,311,790)	20,532,332	(4,311,790)	37,543,276	(7,884,088)	
23	ADVANCE RENTAL INC (CUR MO)	245,856	(51,630)	245,856	(51,630)	245,856	(51,630)	
24	AR - FUEL OVER/UNDER RECOVERY	12,743,384	(2,676,111)	12,743,384	(2,676,111)	0	0	
25	BK DEFL-GAIN REACQUIRED DEBT	(6,606)	1,387	(6,606)	1,387	(6,606)	1,387	
26	BK DEPLETION-MINERALS & RIGHTS	1,859,803	(390,559)	1,859,803	(390,559)	0	0	
27	BK PLANT IN SERVICE - SFAS 143 - ARO	(4,243,828)	891,204	(4,243,828)	891,204	(4,243,828)	891,204	
28	BK PROV UNCOLL ACCTS - ST	(929,317)	195,157	(929,317)	195,157	(929,317)	195,157	
29	BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ	-	0	0	0	0	0	
30	BOOK > TAX BASIS - EMA-A/C 283	81,199	(17,052)	81,199	(17,052)	0	0	
31	BOOK > TAX BASIS-PRTSHP INVEST	(1,709,758)	359,049	(1,709,758)	359,049	(1,709,758)	359,049	
32	BOOK LEASES CAPITALIZED FOR TAX	-	0	0	0	0	0	
33	BOOK OPERATING LEASE - ASSET	37,433,869	(7,861,113)	37,433,869	(7,861,113)	37,433,869	(7,861,113)	
34	BOOK OPERATING LEASE - LIAB	(37,288,497)	7,830,584	(37,288,497)	7,830,584	(37,288,497)	7,830,584	
35	BOOK/TAX UNIT OF PROPERTY ADJ	(56,990,768)	11,968,061	(56,990,768)	11,968,061	(56,990,768)	11,968,061	
36	CAPITALIZED RELOCATION COSTS	-	0	0	0	0	0	
37	CAPITALIZED SOFTWARE COST-BOOK	(18,964,726)	3,982,593	(18,964,726)	3,982,596	(18,964,726)	3,982,593	
38	CAPITALIZED SOFTWARE COSTS-TAX	31,298	(6,573)	31,298	(6,573)	31,298	(6,573)	
39	CIAC - BOOK RECEIPTS	3,084,068	(647,654)	3,084,068	(647,654)	3,084,068	(647,654)	
40	DSIT - PERM - FIN 48	99,070	(20,805)	99,070	(20,805)	0	0	
41	NOL-STATE C/F-DEF TAX ASSET-L/T	(2,443,565)	513,149	(2,443,565)	513,149	0	0	
42	DISALLOWED COSTS-TX CWIP FINBASED INCEN-DIST	3,736,131	(784,587)	3,736,131	(784,587)	0	0	
43	DISALLOWED COSTS-TX CWIP FINBASED INCEN-GEN	420,726	(88,353)	420,726	(88,353)	0	0	
44	DISALLOWED COSTS-TX CWIP FINBASED INCEN-TRANS	623,615	(130,959)	623,615	(130,959)	0	0	
45	DISALLOWED COSTS-TX DIST COSTS	106,369	(22,338)	106,369	(22,338)	0	0	
46	DISALLOWED COSTS-TX DIST VEG MGT CST-AMORT	(110,345)	23,172	(110,345)	23,172	0	0	

Line No	(1) Item Deferred	(2) Per 03/31/2020 Books		(4) T Y E Total Electric		(6) Amount Requested	
		Basis	(3) (x) Tax Rate %	Basis	(5) (x) Tax Rate %	Basis**	(7) X 21%
47	DISALLOWED COSTS-TX GEN COSTS	(1,677)	352	(1,677)	352	0	0
48	DISALLOWED COSTS-TX RWIP FINBASED INCEN-DIST	186,561	(39,178)	186,561	(39,178)	0	0
49	DISALLOWED COSTS-TX RWIP FINBASED INCEN-GEN	27,499	(5,775)	27,499	(5,775)	0	0
50	DISALLOWED COSTS-TX RWIP FINBASED INCEN-TRANS	12,075	(2,536)	12,075	(2,536)	0	0
51	DISALLOWED COSTS-TX SERP COSTS	845	(178)	845	(178)	0	0
52	DISALLOWED COSTS-TX TRANS VEG MGT CST	400,440	(84,092)	400,440	(84,092)	0	0
53	DISALLOWED COSTS-TX TRANS VEG MGT CST-AMORT	(31,417)	6,597	(31,417)	6,597	0	0
54	DISALLOWED COSTS-TURK PLANT	(1,069,965)	224,693	(1,069,965)	224,693	0	0
55	DISALLOWED COSTS-TURK PLANT AUX BOILER	(377,400)	79,254	(377,400)	79,254	0	0
56	GAIN/LOSS ON ACRS/MACRS PROPERTY	-	0	0	0	0	0
57	INT EXP CAPITALIZED FOR TAX	6,630,653	(1,392,437)	6,630,653	(1,392,437)	6,630,653	(1,392,437)
58	IRS CAPITALIZATION ADJUSTMENT	-	0	0	0	0	0
59	LA - FUEL OVER/UNDER RECOVERY	(1,869,042)	392,499	(1,869,042)	392,499	0	0
60	LOSS ON REACQUIRED DEBT	816,807	(171,529)	816,807	(171,529)	816,807	(171,529)
61	MACRS TAX DEPRECIATION - RAIL CARS	760,420	(159,688)	760,420	(159,688)	760,420	(159,688)
62	MTM BK GAIN-A/L-TAX DEFL	3,247,489	(681,973)	3,247,489	(681,973)	0	0
63	PROV FOR RATE REFUND-EXCESS PROTECTED	1,510,556	(317,217)	0	0	0	0
64	PROV FOR RATE REFUND-TAX REFORM	(4,023,793)	844,997	(4,023,793)	844,997	(4,023,793)	844,997
65	PROV WORKER'S COMP	(57,136)	11,998	(57,136)	11,998	(57,136)	11,998
66	PROV-FAS 157 - A/L	19,049	(4,000)	19,049	(4,000)	0	0
67	PROVS POSS REV REFDS-A/L	(19,652,752)	4,127,078	(19,652,752)	4,127,078	0	0
68	PSI - STOCK BASED COMP	856,794	(179,927)	856,794	(179,927)	856,794	(179,927)
69	PUCT FUEL O/U RECOVERY-RETAIL	202,801	(42,588)	202,801	(42,588)	0	0
70	R & D DEDUCTION - SEC 174	(1,400,000)	294,000	(1,400,000)	294,000	(1,400,000)	294,000
71	RATE CASE DEFD CHGS	(629,060)	132,103	(629,060)	132,103	(629,060)	132,103
72	REG ASSET-ENERGY EFFICIENCY RECOVERY	639,915	(134,382)	0	0	0	0
73	REG ASSET-ENVIRONMENTAL CHEMICAL COST-AR	(316,733)	66,514	(316,733)	66,514	0	0
74	REG ASSET-FACILITIES MAINT-SWEP CO LA	(483,099)	101,451	(483,099)	101,451	0	0
75	REG ASSET-LA 2015 FRP-SPP DEFERRAL	1,273,808	(267,500)	1,273,808	(267,500)	0	0
76	REG ASSET-LA 2015 FRP-UNREC EQUITY	(69,530)	14,601	(69,530)	14,601	0	0
77	REG ASSET-LA FRP ASSET	(708,939)	148,877	(708,939)	148,877	0	0
78	REG ASSET-NITS & BPF DEFERRALS	4,973,215	(1,044,375)	0	0	0	0
79	REG ASSET-NBV-ARO-RETIRED PLANTS	8,233	(1,729)	8,233	(1,729)	8,233	(1,729)
80	REG ASSET-NET CCS FEED STUDY COSTS	446,859	(93,840)	446,859	(93,840)	0	0
81	REG ASSET-SFAS 109 DSIT LIAB	(3,183,036)	668,438	(3,183,036)	668,438	0	0
82	REG ASSET-SFAS 143 - ARO	(1,967,764)	413,230	(1,967,764)	413,230	0	0
83	REG ASSET-SFAS 158 - OPEB	4,720,380	(991,280)	4,720,380	(991,280)	0	0
84	REG ASSET-SFAS 158 - PENSIONS	279,149	(58,621)	279,149	(58,621)	0	0
85	REG ASSET-SFAS 158 - SERP	(108,162)	22,714	(108,162)	22,714	0	0
86	REG ASSET-SWEP CO SHIPE ROAD	305,796	(64,217)	305,796	(64,217)	0	0
87	REG ASSET-UND/REC ENVIRON ADJ CLAUSE-LA	126,532	(26,572)	126,532	(26,572)	0	0
88	REG ASSET-UNDER RECOV-EXCESS TAX ETRR	(216,585)	45,483	(216,585)	45,483	(216,585)	45,483
89	REG ASSET-WELSH 2 TX-UNDEPR BAL	507,598	(106,595)	0	0	0	0
90	REG ASSET-WELSH/FLINT CRK ENVIRON DEF	1,643,410	(345,116)	0	0	0	0
91	REG ASSET-WELSH/FLINT CRK ENVIRON-CONTRA	(574,818)	120,712	(574,818)	120,712	(574,818)	120,712
92	REG LIAB-UNREAL MTM GAIN-DEFL	(2,864,927)	601,635	(2,864,927)	601,635	0	0
93	REMOVAL CST	(19,617,000)	4,119,570	(19,617,000)	4,119,570	(19,617,000)	4,119,570

Line No	(1) Item Deferred	(2) Per 03/31/2020 Books		(4) T Y E Total Electric		(6) Amount Requested	
		Basis	(x) Tax Rate %	Basis	(x) Tax Rate %	Basis**	X 21%
94	RESTRICTED STOCK PLAN	60,225	(12,647)	60,225	(12,647)	60,225	(12,647)
95	SFAS 106 - MEDICARE SUBSIDY - (PPACA)-REG ASSET	533,310	(111,995)	533,310	(111,995)	533,310	(111,995)
96	SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	-	0	0	0	0	0
97	SFAS 109 - DEFD SIT LIABILITY	3,183,036	(668,438)	3,183,036	(668,438)	0	0
98	STOCK BASED COMP-CAREER SHARES	4,406,124	(925,286)	4,406,124	(925,286)	4,406,124	(925,286)
99	SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	18,572	(3,900)	18,572	(3,900)	18,572	(3,900)
100	SWEP CO FUEL ADJUSTMENT CHARGE	(1,902,676)	399,562	(1,902,676)	399,562	(1,902,676)	399,562
101	TAX DEPRECIATION LOOKBACK	16,669,057	(3,500,502)	16,669,057	(3,500,502)	16,669,057	(3,500,502)
102	TX ACCEL AMORT - CAPITALIZED SOFTWARE	-	0	0	0	0	0
103	TX AMORT POLLUTION CONT EQPT	(12,553,437)	2,636,222	(12,553,437)	2,636,222	(12,553,437)	2,636,222
104	UNBILLED REVENUE	-	0	0	0	0	0
105	ROUNDING						
106	Total Deferred*	(33,480,402)	7,030,883	(52,575,771)	8,978,571	(29,664,716)	4,835,686
107							
108							
	CrossCk	G-7 6 LN 249	7,030,884		8,978,570		4,835,686
			1 00		(1)		-

* For test period amount, net of accounts 410 1 & 411 1, or amount requested, net of amounts shown on Analysis of Federal Income Taxes

** From amounts included in Analysis of Federal Income Taxes

SOUTHWESTERN ELECTRIC POWER COMPANY
POST YEAR ADJUSTMENT SUPPORT
TEST YEAR ENDING March 31, 2020

Description	Schedule Reference	Amounts	Pro Forma Adj Amounts	Description
PRO FORMA ADJUSTMENTS				
ADJUSTMENT TO PRE-TAX BOOK INCOME	Schedule G-7 6 - Page 1		(23,395,322)	
PERMANENT AND FLOW-THROUGH SCHEDULE M ITEMS	Schedule G-7 6 - Line 25	(16,602,098)		Pro Forma Level of Book Depletion
	Schedule G-7 6 - Line 25	(12,283,252)		Per Books Amount of Book Depletion
	Schedule G-7 6 - Pg. 1 - Line 25 Pro Forma Adj		(4,318,846)	Adjustment Required to equal Pro Forma Level of Book Depletion
	Schedule G-7 7 - Line 5	10,069,515		Pro Forma Level of Flow-Through Book Depreciation
	Schedule G-7 6 - Pg. 1 - Line 26 Per Books	9,588,068		Per Books Amount of Flow-Through Book Depreciation
	Schedule G-7 6 - Pg. 1 - Line 26 Pro Forma Adj		481,477	Adjustment Required to equal Pro Forma Level of Flow-Through Book Depreciation
	Schedule G-7 6 - Page 1 - Line 29		(3,817,369)	Total Permanent and Flow-Through Schedule M Pro Forma Adjustments
NORMALIZED SCHEDULE M ADDBACK ADJUSTMENTS				
	Schedule G-7 6 - Pg. 1 - Line 5 Pro Forma Adj	17,492,420		Pro Forma Book Depreciation Expense Adjustment
	Schedule G-7 6 - Pg. 1 - Line 26 Pro Forma Adj	(181,477)		Pro Forma Flow-Through Book Depreciation Schedule M Adjustment
	Schedule G-7 6 - Pg. 2 - Line 51 Pro Forma Adj		17,010,944	Adjustment for Pro Forma Level of Normalized Book Depreciation
	Schedule G-7 6 - Line 98		(202,801)	Adjustment to PUCT Under recovery of fuel
	Schedule G-7 6 - Page 1 - Line 134		16,808,142	Total Schedule M Addback Adjustments
NORMALIZED SCHEDULE M DEDUCTION ADJUSTMENTS				
	Schedule G-7 6 - Line 201		(19,652,752)	Adjustment to Schedule M for Revenue Refund Provision
	Schedule G-7 6 - Pg. 2 - Line 175 Pro Forma Adj		(2,443,565)	Adjustment to Schedule M for Deferred State Income Taxes
	Schedule G-7 6 - Page 3 - Line 113		(22,096,316)	Total Schedule M Deduction Adjustments
TOTAL ADJUSTMENTS TO TAXABLE INCOME				
	Schedule G-7 6 - Page 3 - Line 110		11,671,767	Total Pro Forma Adjustment to Taxable Income
TOTAL ADJUSTMENTS TO TAX AMORTIZATIONS				
	Schedule G-7 6 - Page 3 - Line 253	(3,719,670)		Pro Forma Level of Excess ADIT Amortization
	Schedule G-7 6 - Page 3 - Line 253	(23,278,137)		Per Books Amount of Excess ADIT Amortization
			19,555,467	Adjustment Required to equal Pro Forma Level of Excess ADIT Amortization
	Schedule G-7 6 - Page 3 - Line 253	(1,458,080)		Pro Forma Level of Investment Tax Credit Amortization
	Schedule G-7 6 - Page 3 - Line 253	(1,624,687)		Per Books Amount of Investment Tax Credit Amortization
			166,607	Adjustment Required to equal Pro Forma Level of Excess ADIT Amortization
POST TEST YEAR ADJUSTMENTS				
ADJUSTMENT TO PRE-TAX BOOK INCOME	Schedule G-7 6 - Page 1		N/A	
PERMANENT AND FLOW-THROUGH SCHEDULE M ITEMS	Schedule G-7 6 - Page 1 - Line 25		N/A	
NORMALIZED SCHEDULE M ADDBACK ADJUSTMENTS	Schedule G-7 6 - Page 1 - Line 68		N/A	Total Permanent and Flow-Through Schedule M Post Test Year Adjustments
NORMALIZED SCHEDULE M DEDUCTION ADJUSTMENTS	Schedule G-7 6 - Page 3 - Line 113		N/A	Total Schedule M Addback Post Test Year Adjustments
TOTAL ADJUSTMENTS TO TAXABLE INCOME	Schedule G-7 6 - Page 3 - Line 110		N/A	Total Post Test Year Adjustment to Taxable Income

**SOUTHWESTERN ELECTRIC POWER COMPANY
ANALYSIS OF ADDITIONAL DEPRECIATION REQUESTED
FOR THE TEST YEAR ENDED March 31, 2020**

Line No.	Additional Depreciation Component	Total Additional Depreciation Requested	Workpaper Reference
1	Flow Through Items	\$266,226	
2	AFUDC - Equity	\$9,768,270	
3	ITC Basis Reduction	\$83,005	
4	Other Permanent Basis Diff	(\$47,955)	
5	Total	<u>\$10,069,545</u>	G-7.6

SOUTHWESTERN ELECTRIC POWER COMPANY
 Test Year FIT and Requested FIT - Tax Method 1
 For the Test Year Ended March 31, 2020

FEDERAL INCOME TAXES TAX METHOD 1								
Line	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
No		3/31/2020 Per Books	Non Utility Adjustments	Total Electric Per Books	Non-Applicable Adjustments	Pro Formas	Post Test Yr Adjust	Total Requested Electric
1	Return	258,905,288	4,540,338	263,445,627	(12,118,071)	(37,262,607)		214,064,948
2								
3	Deduct:							
4	Interest	112,922,564	878,377	113,800,940	-	135,924		113,936,864
5	Amortization of DITC	1,624,687	-	1,624,687	-	(166,607)		1,458,080
6	Amortization of DFIT (Excess)	23,275,137	-	23,275,137	-	(19,555,467)		3,719,670
7	Preferred Dividend Exclusion			-				
8	Other (Specify)					-		
9	Medicare Subsidy			-				
10	AOFUDC	6,423,356	(6,423,356)	-	-	-	-	-
11	Equity in Sub Earnings	3,112,446	(3,112,446)	-	-	-	-	-
12	Accelerated Book Depletion	12,283,252	-	12,283,252	-	4,318,846	-	16,602,098
13	Disallowed Costs Turk Plant	15,312	-	15,312	(15,312)	-	-	-
14	Restricted Stock Plan - Tax Deduction	73,596	-	73,596	-	-	-	73,596
15	Prior Year T/R Adjustments	22,920	1,116,049	1,138,969	(1,138,969)	-	-	0
16	Tax Adjustments	11,260,515	(284,628)	10,975,887	(10,975,887)	-	-	(0)
16	Parent Co Tax Loss Savings	1,559,000	(1,559,000)	-	-	-	-	-
17								
18		172,572,785	(9,385,004)	163,187,781	(12,130,169)	(15,267,304)	-	135,790,308
19								
20	Add							
21	Additional Depreciation	9,588,068	-	9,588,068	-	481,477	-	10,069,545
22	Business Meals Not Deductible	542,023	-	542,023	-	-	-	542,023
23	Other (Specify)			-		-		
24	Charitable Donations	-	-	-	-	-	-	-
25	Manufacturing Deduction	-	-	-	-	-	-	-
26	Non Deductible Lobbying	378,211	(378,211)	-	-	-	-	-
27	Fines & Penalties	455,089	(455,089)	-	-	-	-	-
28	Stock Based Comp - Career Shares	1,538,774	-	1,538,774	-	-	-	1,538,774
29	Prior Year T/R Adjustments	-	-	-	-	-	-	-
30	Tax Adjustments	-	-	-	-	-	-	-
31								
32		12,502,165	(833,300)	11,668,865	-	481,477	-	12,150,342
33								
34								
35	Taxable Component of Return	98,834,669	13,092,042	111,926,711	12,097	(21,513,826)	-	90,424,982
36	Tax Factor (1/ 79)(21)	0 26582278	0 26582278	0 26582278	0 26582278	0 26582278	0 26582278	0 26582278
37								
38	Total Federal Income Taxes Before	26,272,507	3,480,163	29,752,670	3,216	(5,718,865)	-	24,037,020
39	Adjustments							
40								
41	Amortization of DITC	(1,624,687)	-	(1,624,687)	-	166,607		(1,458,080)
42	Amortization of DFIT (Excess)	(23,275,137)	-	(23,275,137)	-	19,555,467		(3,719,670)
43	Tax Adjustments	(11,260,515)	284,628	(10,975,887)	10,975,887	-		0
44	Prior Year T/R Adjustments	(22,920)	(1,116,049)	(1,138,969)	1,138,969	-		(0)
45	Parent Co Tax Loss Savings	(1,559,000)	1,559,000	-	-	-		-
46	Rounding / Other Adjustments	(1)	1	-	1	-	-	1
47								
48	Total Federal Income Taxes	(11,469,753)	4,207,742	(7,262,010)	12,118,073	14,003,208	-	18,859,271

**SOUTHWESTERN ELECTRIC POWER COMPANY
AMORTIZATION OF PROTECTED AND UNPROTECTED
EXCESS DEFERRED TAXES
FOR THE TEST YEAR ENDED March 31, 2020**

Line No.	Description	Test Year Amortization	Test Year Amortization Adjustment	Test Year Amortization As Adjusted	Reference
1	Protected Excess Deferred Taxes:				
2	Liberalized Depreciation	\$8,383,702	(4,664,032)	\$3,719,670	G-7.9a
3	Unprotected Excess Deferred Taxes:				
4	Liberalized Depreciation	0	0	0	
5	Basis Differences	0	0	0	
6	Deferred Accounting	0	0	0	
7	Non-Property Deferred Taxes	0	0	0	
8	Total Unprotected	0	0	0	
9	Total Excess Deferred Taxes	\$8,383,702	(\$4,664,032)	\$3,719,670	
10	<u>Requested Amortization Methodology</u>				
11	Protected - Average Rate Assumption Method (ARAM) pursuant to Section 13001(d) of Tax Cuts and Jobs Act of 2017. Rate Difference reverses as related timing difference reverses.				

SOUTHWESTERN ELECTRIC POWER COMPANY
ANALYSIS OF EXCESS DEFERRED TAXES BY TIMING DIFFERENCE
FOR THE TEST YEAR ENDED March 31, 2020

Line No.	Description	Test Year Amortization As Adjusted	Workpaper	Unamortized Balance at Test Year Ended March 31, 2020 As Adjusted	Workpaper
1	Protected Excess Deferred Taxes:				
2	Liberalized Depreciation	<u>\$3,719,670</u>	G-7 6 & G-7 8	<u>\$486,745,961</u>	G-7.4
3	Unprotected Excess Deferred Taxes:				
4	Liberalized Depreciation	0		0	
5	Cost of Removal	0		0	
6	Salvage	0		0	
	Total Depreciation	<u>0</u>		<u>0</u>	
7	AFUDC - Debt	0		0	
8	Capitalized Interest	0		0	
9	Interest (IDB Proceeds)	0		0	
10	Contributions In Aid to Construction	0		0	
11	Repair Allowance	0		0	
12	Taxes Capitalized	0		0	
13	Training Costs Capitalized	0		0	
14	Ad Valorem Taxes Capitalized	0		0	
15	Start-up Expenses Capitalized	0		0	
16	Capitalized O & M	0		0	
17	Regulatory Expenses Capitalized	0		0	
18	Non-Tax Asset	0		0	
17	Total Basis Differences	<u>0</u>		<u>0</u>	
18	Deferred Accounting	0		0	
19	Other Non-Property	0		0	
	Total Other Differences	<u>0</u>		<u>0</u>	
20	Total Unprotected Excess Deferred Taxes	<u>0</u>		<u>0</u>	
21	Total Excess Deferred Taxes	<u>\$3,719,670</u> G-7 9	G-7.6 & G-7.8	<u>\$486,745,961</u>	G-7.4
			Acct 2821001	<u>(341,349)</u>	
			Acct 1904001	183,804	
			Acct 2824001	341,349	
			Acct. 2544001	<u>(525,153)</u>	
				<u>-</u>	

PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
RECONCILIATION OF EXCESS DEFERRED TAXES

Description	2018										12/31/2018 Ending Balance
	Protected Unprotected	12/31/2017 Ending Balance	DTA	DTL Protected	DTL Unprotected	DTL Excess Protected	DTL Excess Unprotected	Reg Asset	Reg Liability	Expense/ Benefit	
Deferred Tax											
Deferred Tax Asset ("DTA")	N/A	150,046,272							(4,274,147)		145,772,125
Deferred Tax Liability ("DTL")	Protected	(446,384,552)								(61,316,547)	(507,701,099)
Deferred Tax Liability ("DTL")	Unprotected	(118,075,233)								77,395,481	(40,679,752)
Deferred Tax Liability - FAS 109 Excess ("DTL Exces")	Protected	446,384,552							61,316,547		507,701,099
Deferred Tax Liability - FAS 109 Excess ("DTL Exces")	Unprotected	118,075,233						3,607,784	(43,432,018)		78,250,999
Regulatory											
Regulatory Asset	N/A	-					(3,607,784)				(3,607,784)
Regulatory Liability	N/A	(714,506,058)	4,274,147			(61,316,547)	43,432,018				(728,116,440)
Income Statement											
Amortization Expense/(Benefit)	N/A			(42,601,056)	26,639,130						
Deferred Income Tax Expense/(Benefit)	N/A			13,566,653	(13,683,662)						
Sum of 3/ 4s		(0)	4,274,147	(29,034,403)	12,955,468	(61,316,547)	39,824,234	3,607,784	13,610,382	16,078,934	(0) (1)

PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
RECONCILIATION OF EXCESS DEFERRED TAXES

Description	2019							12/31/2019	
	DTA	DTL Protected	DTL Unprotected	DTL Excess Protected	DTL Excess Unprotected	Reg Asset	Reg Liability	Expense/ Benefit	Ending Balance
Deferred Tax									
Deferred Tax Asset ("DTA")							24,059,329		169,831,454
Deferred Tax Liability ("DTL")								28,712,095	(478,989,004)
Deferred Tax Liability ("DTL")								2,669,292	(38,010,460)
Deferred Tax Liability - FAS 109 Excess ("DTL Exces")							(28,712,095)		478,989,004
Deferred Tax Liability - FAS 109 Excess ("DTL Exces")						-	(36,632,755)		41,618,244
Regulatory									
Regulatory Asset					-				(3,607,784)
Regulatory Liability	(24,059,329)			28,712,095	36,632,755				(686,830,919)
Income Statement									
Amortization Expense/(Benefit)		(8,562,396)	(21,343,281)						
Deferred Income Tax Expense/(Benefit)		(20,149,699)	18,673,990						
	(24,059,329)	(28,712,095)	(2,669,291)	28,712,095	36,632,755	-	(41,285,521)	31,381,387	(0)

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**SOUTHWESTERN ELECTRIC POWER COMPANY
ANALYSIS OF RESERVE ACCOUNTING FOR EXCESS DEFERRED TAXES**

The Company does not have any reserve account for excess deferred taxes. With the adoption of SFAS 109 (now known as FASB ASC 740) effective January 1, 1993, these excess deferred taxes are accounted for as regulatory assets and liabilities.

**SOUTHWESTERN ELECTRIC POWER COMPANY
EFFECTS OF ACCOUNTING ORDER DEFERRALS**

This Schedule is Not Applicable. The Company does not have any such Accounting Order Cost Deferrals.

SOUTHWESTERN ELECTRIC POWER COMPANY
EFFECTS OF POST TEST YEAR ADJUSTMENT
FOR THE TEST YEAR ENDED March 31, 2020

This schedule is not applicable.
SWEPCO is not including any Post Test Year Adjustments.

**SOUTHWESTERN ELECTRIC POWER COMPANY
EFFECTS OF RATE MODERATION PLAN**

This Schedule is Not Applicable. The Company has not requested any rate moderation plan, nor is there any rate moderation plan in effect.

**SOUTHWESTERN ELECTRIC POWER COMPANY
TREATMENT OF FIT AND ADFIT IN RATE MODERATION PLAN**

This Schedule is Not Applicable. The Company has not requested any rate moderation plan, nor is there any rate moderation plan in effect.

**SOUTHWESTERN ELECTRIC POWER COMPANY
LIST OF FEDERAL INCOME TAX TESTIMONY**

Mr. David A. Hodgson

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SOUTHWESTERN ELECTRIC POWER COMPANY HISTORY OF TAX NORMALIZATION

Liberalized depreciation gave rise to the first timing difference which was normalized at the Company. This difference began in 1954 when different from straight-line methods of depreciation were allowed for computing taxable income.

In 1958, the Company began recording interest charged to construction on certain investment work orders. No deferred taxes were recorded on these construction period interest charges until the recording began, in 1977, of allowance for borrowed funds during construction (ABFUDC). The Company records deferred taxes on the recording per books of the ABFUDC when amounts are recorded on the income statement. The reversal of the deferred taxes relating to ABFUDC occurs when the asset is placed in service and depreciation commences.

Deferred taxes were provided beginning in 1971 on cost of dismantling which was taken as a tax deduction when incurred. This is the reversal of the component of book depreciation expense relating to estimated cost of removal.

The next timing difference for which deferred taxes were provided occurred in 1972 with the election by the Company to claim repair allowance in accordance with the Asset Depreciation Range regulations. Amounts written off as maintenance expense per tax returns were included in plant in service for book purposes and were depreciated. Taxes are deferred when the tax maintenance is deducted and reversed as book depreciation occurs.

In 1973, the Company began normalizing the timing difference between the tax return expensing of overheads and sales taxes and the book recording in plant in service of these amounts. Deferred taxes are provided when the tax deduction is taken and reversed as book depreciation occurs.

In 1975, there were differences between tax deductions and book expensing of certain fuel exploration expenditures as a result of CSW fuels and joint ventures. As differences occurred between book expense and tax deductions, deferred taxes were provided.

Beginning in 1979, three new timing differences gave rise to deferred taxes. The activities of Central and South West Fuels, a subsidiary of Central and South West Corporation, gave rise to amounts that were deductible for tax that were being deferred per books. As these deductions were taken, provisions for deferred taxes were made. As the book amortization occurs, these deferred taxes reverse. Beginning in 1979, amounts paid for State of Texas franchise tax differing from book expense created a deferred tax and was reversed as books amortized these expenses. Also in 1979, book recording to expense began for provisions for damages (provision to the reserve for catastrophe). These amounts are not deductible for tax purposes so deferred taxes were provided, to be reversed when amounts incurred for catastrophe are charged to this reserve and tax deductions are allowed.

In 1980, the Company began charging ad valorem taxes during the construction period to certain investment work orders per books. The taxes were deducted currently in returns and deferred taxes provided. When book depreciation began, the reversal of these deferred taxes commenced.

In 1982, the Company recorded contributions in aid construction upon receipt by crediting work orders. For tax purposes, these amounts were recognized currently as income. The reversal occurs as property is depreciated per books.

Regulatory expenses - deduction of amounts when incurred gave rise to a timing difference which reverses upon the recordation of book expense.

Arbitrage income - when books credit the investment work order with arbitrage income,

SOUTHWESTERN ELECTRIC POWER COMPANY HISTORY OF TAX NORMALIZATION

this income is taxable creating a timing difference. As book depreciation occurs, the deferred taxes related to arbitrage income reverse

Accelerated Cost Recovery System (ACRS) dispositions - as retirements of 1981 and subsequent properties are made, the tax treatment is to claim a gain or loss on the retirement. These amounts are reflected in the book reserve for depreciation

Windfall profits tax - books charged these amounts to the "full cost pool of dollars" to be amortized over time. The tax was deducted currently. Deferred taxes were provided when the tax deduction was taken and reversed when the book clearing of full cost occurred.

Fuel over/under recovery (AR, LA, & TX). Fuel expenses are recorded on the books to equal the fuel costs embedded in revenues from customers generating an over or under recovery. The over/under recovery creates a timing difference with a provision for deferred taxes. As the over/under recovery decreases over time, the deferred taxes reverse

Interest on fuel over/under recovery is deductible when paid which does not necessarily coincide with the time the amounts are charged to expense per books. Deferred taxes are provided on amounts expensed per books but not allowed for tax purposes. When refunded, the tax deductions occur and the deferred taxes reverse.

Loss on reacquired debt - these losses were deferred on the books but currently deductible for tax purposes. Deferred taxes are provided and are reversed as books amortize these amounts to expense over time.

Miscellaneous timing differences were recorded in 1985 and deferred taxes were provided to reflect the expensing for tax purposes at times different than books. Items generating deferred taxes in this category tend to turn around quite rapidly, and the Company chose not to provide specific Schedule M lines for these many varied timing differences

The Tax Reform Act of 1986 brought into play three new categories of timing differences and deferred taxes were provided on these differences. The items are unbilled revenue, indirect construction overheads, and alternative minimum tax. Deferred taxes are provided based on when these items are expensed per books and tax and reversed accordingly.

Regulatory expenses capitalized for tax were not deductible for tax purposes, creating a timing difference and deferred tax. These taxes reverse as tax depreciation occurs.

Accrued Mine Reclamation - reclamation expenses accrued for books not recognized for tax until paid

Property taxes capitalized for tax were not deductible for tax purposes, creating a timing difference and deferred tax. These taxes reverse as tax depreciation occurs.

Taxable interest income capitalized for tax was not deductible for tax purposes, creating a timing difference and deferred tax. These taxes reverse as tax depreciation occurs

Capitalized software costs. Qualifying software costs are deducted when incurred for tax purposes while the financial books capitalize the costs immediately and amortize them ratably over time. The immediate recognition of the tax deduction for the capitalized software cost creates a timing difference with deferred taxes. The deferred taxes reverse as the capitalized software costs are amortized to expense on the books.

**SOUTHWESTERN ELECTRIC POWER COMPANY
HISTORY OF TAX NORMALIZATION**

Deferred book research and development expenses were deducted for tax purposes when incurred, and deferred taxes reversed when these deferred R&D expenditures were recognized as expenses on the books

Feasibility studies - CSW 5 year plan expenses were deducted as incurred for tax purposes, while being recorded as a deferral on the books. Deferred taxes were provided and reversed when the deferred feasibility study costs were actually recognized as expenses on the books.

Pension plan. Amounts are deducted for tax purposes as funding of the plan occurs creating a timing difference with deferred income taxes. As the pension costs are expensed on the books, the deferred taxes reverse.

DOLI (Directors Owners Liability Insurance) reserve. The fee paid for the DOLI insurance was estimated and adjusted the following year, based on the experience factor of the fund. The tax deduction was taken only when this true-up was known.

Deferred taxable interest income. Deferred tax amounts represent the difference between the interest income recognized for tax but deferred on the books. As the income is recognized for books, the timing difference and related deferred taxes reverse.

Debt discount and issuance expense. Deferred tax amounts represent the difference between book and tax amortization of expense amounts.

Customer deposits income. Customer deposits were considered taxable income upon receipt and deductible when refunded to the customer creating a timing difference with deferred taxes.

Restricted stock plan. Difference between the amount charged to expense per books and the amount deductible for tax purposes.

Vacation pay accrual. This accrual is not fully deductible under the economic performance rules of the IRS unless paid within 2 1/2 months of the following year. The Company adds back to book income the accrued book vacation and deducts amounts paid for vacation taken which creates a timing difference with related deferred income taxes

TFO (to from and over) charges. Certain transmission charges to book expense were not deductible for tax purposes until paid, creating a timing difference with resulting deferred taxes

Accrued book benefit costs. Accruals for various benefit costs, like supplemental retirement pension costs are not deductible for tax purposes until paid, creating a timing difference with related deferred taxes. As the benefits are paid, a deduction for taxable income is taken which triggers the reversal of deferred taxes

Accrued Interest expense per books was not deductible until paid for tax purposes creating a timing difference resulting in deferred income taxes (Various Items)

Unbilled Fuel Revenues. This is the difference between the amount reported as revenue for book purposes and the amount included in taxable income for certain fuel revenues. When the book recording of these revenues occurs, this timing difference will reverse.

Alternative minimum tax. This minimum tax liability is paid and can be used to offset future regular tax liabilities.

Spare parts inventory. This tax represents the book expensing of the power plant inventory adjustment. Tax deductions are available when the items are issued or disposed

**SOUTHWESTERN ELECTRIC POWER COMPANY
HISTORY OF TAX NORMALIZATION**

Losses on home sales - These losses are expensed for book purposes and deferred for tax purposes, creating a timing difference with resulting deferred taxes.

Other post-retirement benefits - SFAS 106. This represents the book amount in excess of the funded amount. Accrued book expense is not deductible for tax purposes and creates a timing difference resulting in deferred taxes. The deferred taxes reverse when the deductible funding to the post-retirement benefits trust fund occurs.

Other post-employment benefits - SFAS 112. This represents the book amount in excess of the funded amount. Accrued book expense is not deductible for tax purposes and creates a timing difference resulting in deferred taxes. The deferred taxes reverse when the post-employment benefits are paid.

Demand Side Management Expense (DSM) - Costs are deferred on the books and amortized to expense over time. For tax purposes these amounts are deducted as they are paid.

Accrued energy conservation expenditures. These accrued costs are not deductible for tax purposes until paid, therefore a timing difference is created resulting in deferred taxes. A reversal of the deferred taxes occurs as the energy conservation expenditures are paid.

SFAS 109 - Deferred SIT liability and Reg Asset - SFAS 109 - Deferred SIT Liability. Deferred state income taxes are recorded on the books of the Company as a regulatory asset and deferred state income tax liability and are flow-through for state purposes. Therefore the state income taxes for the regulatory asset and deferred state income liability are not included in computing federal taxable income, creating offsetting timing differences. As the state income tax reverse, the timing differences and related deferred federal income taxes will reverse.

BREMCO & Haughton Acquisition Adjustment - straight line book depreciation and accelerated tax depreciation.

Electric business study (EBS). transition costs were deducted as incurred for tax purposes, while being recorded as a deferral on the books. Deferred taxes were provided and reversed when the deferred business study, transition costs were actually recognized as expenses on the books.

Transition costs book expense. Accrued transition costs are recorded on the books and are not deductible for tax purposes which creates a timing difference resulting in deferred taxes. As the transition costs are paid, the timing difference and deferred taxes reverse.

Cajun Acquisition Costs - Costs were deferred for book purposes and deducted on the tax return. Timing difference reversed when the costs were expensed on the books.

Business improvement plan (BIP) costs were capitalized on the books and were currently deductible for tax purposes. Over time, the reversal occurs as the book costs were amortized to expense.

Loss on Abandonment - South Tie - FAS 121 writedown of book assets was not deductible for tax purposes, timing difference reverses upon disposal of the asset.

Provision for possible revenue refunds. Recordation of the refund provision on the books is not deductible for tax purposes until the refund has been made to the customers, creating a timing difference and resulting deferred taxes. When the refund to customers actually occurs, a deduction for taxable income is taken and the reversal of deferred taxes is triggered.

**SOUTHWESTERN ELECTRIC POWER COMPANY
HISTORY OF TAX NORMALIZATION**

Book/Tax gain on sale of miscellaneous property. Upon the sale of property, any excess of a tax gain over a book gain is recognized as taxable income creating a timing difference with related deferred taxes. The deferred tax reversal occurs within the depreciation timing differences

Insurance premiums accrued Various book expenses for insurance accruals were not deductible for tax purposes until paid, creating a timing difference with related deferred taxes As the premiums are paid, a deduction for taxable income is taken which triggers the reversal of deferred taxes

Provision for worker's compensation Worker's compensation insurance accruals for known and measurable claims are not deductible for tax purposes until paid, creating a timing difference with related deferred taxes. When worker's compensation claims are paid, a deduction for taxable income is taken which triggers the reversal of deferred taxes

Book provision for uncollectible accounts. Accrual of expense to the book provision for uncollectible accounts is not deductible for tax purposes until the account is written off The accrual creates an addback to taxable income and resulting deferred taxes, which are reversed when specific accounts are deemed uncollectible and are written off the books

Accrued environmental liability These accrued environmental costs are not deductible for tax purposes until paid, therefore a timing difference is created resulting in deferred taxes A reversal of the deferred taxes occurs as the environmental liability costs are paid

Accrued book severance benefits Accrued severance costs are recorded on the books and are not deductible for tax purposes which creates a timing difference resulting in deferred taxes As the severance costs are paid, the timing difference and deferred taxes reverse.

AMAX Coal Contract - Costs were deducted currently for tax purposes but were deferred on the books Timing difference reverses as the costs are amortized to book expense

FAS 133, "Accounting for Derivative Instruments and Hedging Activities," or Mark to Market, since adoption in 1999 has given rise to several timing differences where book has recognized income and or loss that would not be recognized for tax until culmination of the contracts Includes Schedule M's for Mark & Spread and Provision - Trading Risk

Book deferral - merger costs. These costs were deducted when incurred while the financial books recorded a deferral creating a timing difference resulting in deferred taxes. The deferred taxes reverse as the merger costs are amortized over time to expense on the books

Coal Transportation IRS Consent Agreement - tax deductions taken for transportation charges while book included in inventory and expense as used

Accrued costs for name change signs. Costs were accrued for signage related to the Company's change in name from SWEPCO to AEP SWEPCO (Southwestern Electric Power Company) These costs are not deductible for tax purposes until the actual costs are incurred. Deferred taxes were recorded on the timing difference created by the book accrual and are reversed when the actual costs for the name change signs are paid.

Deferred state income taxes Deferred state income taxes were recorded on the books of the Company related to deregulated generation and were not included in computing federal taxable income, creating a timing difference As the state income taxes reverse, the timing difference and related deferred federal income taxes will reverse.

SOUTHWESTERN ELECTRIC POWER COMPANY HISTORY OF TAX NORMALIZATION

Deferred SOP 98-5 organization costs were deducted as incurred for tax purposes, while being recorded as a deferral on the books. Deferred taxes were provided and reversed when the deferred organization costs were actually recognized as expenses on the books.

Gain on reacquired debt. These gains were deferred on the books but currently included as income for tax purposes. Deferred taxes are provided and are reversed as books amortize these amounts to income over time.

Accrued book supplemental savings plan expense. Accruals for supplemental savings plan expense are not deductible for tax purposes until paid, creating a timing difference with related deferred taxes. As the supplemental savings plan amounts are paid, a deduction for taxable income is taken which triggers the reversal of deferred taxes.

Advance rental income. Rental income received in advance recognized for tax and deferred for books creating a timing difference with related deferred income taxes. As the rental income is recognized and amortized on the books, the deferred taxes reverse.

Supplemental executive retirement plan costs. Accruals for supplemental executive retirement plan costs are not deductible for tax purposes until paid, creating a timing difference with related deferred taxes. As the benefits are paid, a deduction for taxable income is taken which triggers the reversal of deferred taxes.

Accrued/deferred companywide incentive plan expenses. These accruals are not fully deductible under the economic performance rules of the IRS unless paid within 2 1/2 months of the following year. The Company adds back to book income the accrued/deferred incentive compensation plan expenses in excess of the amounts paid within 2 1/2 months of the following year for incentive plan expenses (if any excess exists). This creates a timing difference with related deferred income taxes.

Capitalized relocation costs. In 2003, relocation costs were deducted on the tax return and were included in plant in service for book purposes and were depreciated. Taxes are deferred when the tax maintenance is deducted and reversed as book depreciation occurs.

Book leases capitalized for tax. Certain synthetic leases expensed on the books are capitalized for tax creating a timing difference with deferred taxes. The taxes are reversed as tax depreciation is taken over the life of the synthetic lease.

Dolet Hills-Mining Buyout - Revenues were deferred for book purposes as received, but included in taxable income currently. Timing difference will reverse as book amounts are amortized to revenues.

Emission Allowances - Various items of income and or expense are accrued for book purposes, but are not recognized for tax until sold or purchased.

Accrued PSI plan expense. This accrual is not fully deductible under the economic performance rules performance rules of the IRS unless paid within 2 1/2 months of the following year. The Company adds back to book income the accrued PSI plan expense and deducts amounts paid for PSI plan expense which creates a timing difference with related deferred income taxes.

**SOUTHWESTERN ELECTRIC POWER COMPANY
HISTORY OF TAX NORMALIZATION**

Charitable Contribution Carryforward Charitable contributions for 2004 were deducted for books in 2004 but were not deducted on the 2004 AEP federal income tax return due to the 2004 AEP taxable loss creating a timing difference with deferred taxes. These contributions were carried forward to 2005 where the timing difference and related deferred taxes reversed with the recognition of the 2004 charitable contributions carried forward to the 2005 AEP federal tax return.

SFAS 106 Non Deductible Contributions - excess contributions were not currently deductible, will reverse in subsequent year as deduction limits allow

Employer savings plan match 2005 savings plan expenses were not deductible in 2005 due to various limitations and thus were added back to book income. These expenses were deductible in 2006 and reversed the deferred taxes established for this item in 2005.

Accrued sales and use tax reserve An accrual was recorded for potential sales and use tax liability on the books which is not deductible for federal tax purposes until actually settled and remitted to the states and localities. This accrual creates a timing difference with related deferred taxes and will reverse upon the settlement of the sales and use tax issues and resulting remittance to the states and localities.

Book Deferral Rail Transportation Revenue/Expense - leased railcar income and expense recognition book vs tax

Accrued book ARO expense - SFAS 143. Represents deferred taxes arising from the Company's recordation of entries in accordance with SFAS 143 -FIN 47 related to Asset Retirement Obligation costs. Accretion expense is accrued on the books and is not deductible for tax purposes until the Asset Retirement Obligation is satisfied (i.e. incurred) at which time the deferred income taxes will reverse.

Book plant in service - SFAS 143 - ARO. Represents deferred taxes arising from the Company's recordation of entries in accordance with SFAS 143 related to Asset Retirement Obligation costs. Taxes were deferred upon the establishment of the Asset Retirement Obligation asset and resulting Asset Retirement Obligation liability and reverse as ARO depreciation occurs.

Dow Plaquemine Contract - income recognized for tax immediately and deferred for books, reversed when books recognize

In 2006, several book tax timing differences were created in conjunction with the adoption of SFAS 158. These items are not recognized for tax purposes and are offset with matching amounts of Regulatory Assets. Items include Accrued OPEB, Accrued Pensions and Accrued SERP along with their matching Regulatory Assets.

Accrued state income tax reserve An accrual was recorded for potential state income tax liability on the books which is not deductible for federal tax purposes until actually settled and remitted to the state. This accrual creates a timing difference with related deferred taxes and will reverse upon the settlement of the state income tax issues and resulting remittance to the states.

Accrued Interest FIN 48 - Interest expense is accrued for book purposes but is not deductible for tax until paid. Interest relates to potential IRS Audit issues.

Deferred compensation expense. Accruals for deferred compensation costs are not deductible for tax purposes until paid, creating a timing difference with related deferred taxes. As the benefits are paid, a deduction for taxable income is taken which triggers the reversal of deferred taxes.

SOUTHWESTERN ELECTRIC POWER COMPANY HISTORY OF TAX NORMALIZATION

Capitalized leases for Account 101.1 assets. In 2008, tax depreciation related to capitalized leases recorded in Account 101.1 were deducted on the tax return as they were included in plant in service-capitalized leased assets for book purposes and were depreciated. Taxes are deferred when the tax depreciation is deducted and reversed as book depreciation occurs.

FAS 157, "Fair Value Measurement," since adoption in 2007 has given rise to timing differences where book has recognized income and or loss that would not be recognized for tax until culmination of the contracts.

In 2009, SWEPCo recorded a change in accounting method associated with units of property. The Company recorded basis differences and deferred taxes existing between tax capitalization rules and book capitalization rules involving the property units. Deferred taxes are provided when the tax deduction is taken and reversed as book depreciation occurs. Timing differences include book/tax unit of property adjustment and book/tax unit of property Section 481 adjustment.

Dispositions related to units of property - as retirements of units of property are made, the tax treatment is to claim a gain or loss on the retirement. These amounts are reflected in the book reserve for depreciation.

In 2010, SWEPCo acquired Valley Electric Membership Corporation (VEMCO) and recorded regulatory assets which represent the difference in tax and book basis associated with the acquisition of VEMCO's certain assets and assumption of certain liabilities. The Company also recorded goodwill associated with the acquisition for which the book amortization is added back to taxable income over a 5-year period and the tax amortization is over a 15-year period. In addition, SWEPCo is deferring, as a regulatory asset, due diligence related O&M costs for the first five years subsequent to the Company's acquisition of VEMCO associated with upgrading the VEMCO system.

Charitable Contribution Carryforward. Charitable contributions for 2009 through 2011 were deducted for books in 2009 through 2011, but the 2009 contributions were not deducted on the 2009 AEP federal income tax return due to the 2009 AEP taxable loss and the 2010 contributions were limited due to lower 2010 AEP taxable income. It is not anticipated that the 2011 charitable contributions will not be deducted on the 2011 AEP federal income return. The differences in recognition of the charitable contributions between book and tax created a timing difference with deferred taxes which is being carried forward. The timing difference and deferred taxes will reverse as the charitable contributions are recognized on future AEP federal income tax returns.

Tax credit carryforward - DFIT asset. Unused prior year R&D tax credits and alternative minimum tax was carried forward to future years due to the 2009 AEP taxable loss and lower AEP taxable income in 2010. The credit carryforward was reclassified to Account 190 from Account 236 in 2011.

In 2009, certain Louisiana environmental expenses (primarily related to NOx and SO2) are recorded on the books to equal the environmental costs in revenues from customers generating an under recovery of these certain environmental costs regulated by the EPA.

The Louisiana PSC (in Docket No. U-29702) approved the November 30, 2009 proposed uncontested stipulated settlement between SWEPCo and the parties to the case, which among other things, instructed SWEPCo to reflect the billings of cash CWIP through the monthly Louisiana fuel factor for the Turk Power Plant. The reduction in Louisiana revenues are recorded on the books to equal the cash CWIP related to Turk Plant in revenues from Louisiana customers generating a regulatory liability for the refundable construction interest. This regulatory liability creates a timing difference with deferred taxes which will reverse as the revenue related to the cash CWIP from Louisiana customers decreases over time.

**SOUTHWESTERN ELECTRIC POWER COMPANY
HISTORY OF TAX NORMALIZATION**

The Patient Protection and Affordable Care Act and the related Health Care and Education Reconciliation Act (Health Care Acts) were enacted in March 2010. The Health Care Acts amend tax rules so that the portion of employer health care costs that are reimbursed by the Medicare Part D prescription drug subsidy will no longer be deductible by the employer for federal income tax purposes effective for years beginning after December 31, 2012. Because of the loss of the future tax deduction, a reduction in the deferred tax asset related to the nondeductible OPEB liabilities accrued to date was recorded by SWEPCo in March 2010. Subsequently, the Company began recording a flow-through timing difference for the Medicare Part D subsidy with deferred taxes which will reverse beginning in January 2013 when the Medicare Part D subsidy portion of the OPEB costs will no longer be deductible for federal income tax purposes.

In 2011, certain capitalized costs related to the Turk Plant were reversed and charged to expense for books but are not deductible for tax purposes, remaining capitalized for tax.

In 2011, SWEPCO recorded its share of the CCS (Carbon Capture Storage) Front End Engineering & Design (FEED) study costs which were deferred on the books in a regulatory asset account. A timing difference and deferred taxes were recorded for the regulatory asset deferral. The costs were deducted for tax as incurred and will reverse as the regulatory asset is amortized.

Deferred Storm Damages These costs were deducted when incurred while the financial books recorded a deferral creating a timing difference resulting in deferred taxes. The deferred taxes reverse as the storm damage costs are amortized over time to expense on the books.

Deferred Valence Expenses SWEPCO paid Valence Operating Company to relocate both wells and pipelines and amortized for books over 5 years tax deducted at time of payment.

SFAS 106 Medicare Subsidy Non-Tax Regulatory Asset As a result of the Company replacing prior years' current retiree prescription drug Medicare Part D Subsidy for medicare-eligible retirees with another government plan known as Employer Group Waiver Plan (EGWP), the Company transferred the SFAS 106 Medicare Subsidy tax-related regulatory asset to a Medicare Subsidy non-tax regulatory asset in 2013. The SFAS 106 Medicare Subsidy non-tax regulatory asset is being amortized over a period of 12 years, the approximate amortization term of the related SFAS 106 cost, to be recovered through the ratemaking process.

Regulatory Asset La 2009 FRP Asset Book deferral of Louisiana 2009 Formula Rate Pricing Excess Refunds deferred for books and deducted for tax purposes.

Regulatory Asset Louisiana Vegetation Management Vegetation Fees deferred in 2014 and amortized in 2015 per LPSC Docket # U032220. Deducted in 2014 for tax.

Louisiana Vegetation Service Quality Improvement Program Books defer under recovery of the (SQIP) per LPSC Docket # U-3220 and tax deducts currently.

SWEPCO Shihe Road Books deferring costs related to the SWEPCO Shihe Road project for future recovery, deducted for tax currently.

Regulatory Asset 2010 Severance Costs Books amortizing severance costs per LPSC 2011 LA FRP filing, tax deducted currently.

Regulatory Asset Environmental Chemical Cost - AR Books deferring SWEPCO Arkansas environmental chemical costs for Pirkey Power Plant for future recovery per Docket # 14-080-U, tax deducting currently.

Tax Loss on Plant Retirements To record the tax loss on retirement of Plants no longer in service.

**SOUTHWESTERN ELECTRIC POWER COMPANY
HISTORY OF TAX NORMALIZATION**

Valuation allowance Charitable Contribution Carryforward. To record the expiration of charitable contributions disallowed due to lack of taxable income

Regulatory Asset Facilities Maintenance LA. Deferred expenses and interest related to servicing and maintaining the City of Shreveport facilities during major work on the sewer system for books deducted currently for tax.

Provision - Unclaimed Funds Audit Liabilities Accrued Liability for the estimated potential audit liability in the ongoing unclaimed funds audit. Tax will deduct upon payment of the completed audit settlement

TIMING DIFFERENCES WHERE NO DEFERRED TAXES WERE PROVIDED.

Interest during construction This is the pre-1977 equivalent of allowance for borrowed funds during construction.

IRS section 108 and 1017 amounts. This code section allows the Company to reduce tax basis depreciable plant by the amount of gain on reacquired securities instead of reporting these amounts as taxable income. The gain was deferred per books and amortized.

Certain overheads and taxes charged to capital work orders were expensed for tax purposes with no deferred taxes provided

**SOUTHWESTERN ELECTRIC POWER COMPANY
TAX ELECTIONS**

<u>Tax Return</u>	<u>IRC Section</u>	<u>Description</u>
2015	1.263(a)-1(f)	Southwestern Electric Power Co
2016		Taxpayer elects under Section 1.263(a)-1(f) de minimus safe
2017		harbor

**SOUTHWESTERN ELECTRIC POWER COMPANY
CHANGES IN ACCOUNTING FOR DEFERRED FIT**

The Company has not made any changes in its accounting for Deferred Federal Income Taxes that has an impact on regulatory ratemaking. All new book/tax differences have been fully normalized.

The Company adopted SFAS 109 (now known as FASB ASC 740) in January 1993. The net impact of this adoption was to record additional deferred income taxes with an offsetting amount recorded as a regulatory asset or liability. The adoption of SFAS 109 has no impact on cost of service or rate base.

The Company adopted Financial Accounting Standards Board Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN-48) in January 2007. The accounting entries related to FIN-48 are recorded in separate sub-accounts which allows them to be easily distinguished from the normal regulatory deferred tax accounts.

**SOUTHWESTERN ELECTRIC POWER COMPANY
IRS AUDIT STATUS**

In the third quarter of 2019 amended returns for tax years 2014-2017 were filed. In the first quarter of 2020 the IRS began an audit of these returns. As of 9/1/2020 no adjustments to these returns have been proposed by the IRS.

The year 2018 is open under the general statute of limitations.

**SOUTHWESTERN ELECTRIC POWER COMPANY
PRIVATE LETTER RULINGS**

The information responsive to this request is HIGHLY SENSITIVE under the terms of the Protective Order. The Highly Sensitive information is available for review at the Austin offices of American Electric Power Company (AEP), 400 West 15th Street, Austin, Texas, 78701, (512) 481-4562, during normal business hours.

**SOUTHWESTERN ELECTRIC POWER COMPANY
METHOD OF ACCOUNTING FOR ADFIT RELATED TO NOL CARRYFORWARD**

The information responsive to this request is HIGHLY SENSITIVE under the terms of the Protective Order. The Highly Sensitive information is available for review at the Austin offices of American Electric Power Company (AEP), 400 West 15th Street, Austin, Texas, 78701, (512) 481-4562, during normal business hours.

SOUTHWESTERN ELECTRIC POWER COMPANY
Consolidated Taxes

Schedule G-7.3 is not applicable to Southwestern Electric Power Company. In the 2013 Regular Session, Senate Bill 1364 repealed the language in Public Regulatory Act § 36.060 regarding the consolidated tax savings adjustment.

The Consolidated Federal income tax return for 2018 is attached as a workpaper to Schedule G-7.13, which is voluminous and will be designated as Highly Sensitive. Arrangements to view this material pursuant to the protective order in this docket can be made.

SOUTHWESTERN ELECTRIC POWER COMPANY
Consolidation Benefits

(1)

Schedule G-7.3a is not applicable to Southwestern Electric Power Company. In the 2013 Regular Session, Senate Bill 1364 repealed the language in Public Regulatory Act § 36.060 regarding the consolidated tax savings adjustment.

SOUTHWESTERN ELECTRIC POWER COMPANY
Consolidated/Inter-Corporate Tax Allocation

Schedule G-7.3a is not applicable to Southwestern Electric Power Company. In the 2013 Regular Session, Senate Bill 1364 repealed the language in Public Regulatory Act § 36.060 regarding the consolidated tax savings adjustment.

SOUTHWESTERN ELECTRIC POWER COMPANY
Outside Services Employed - FERC 900 Series Expenses
For Test Year Ended March 31, 2020

	(1)	(2)	(3)	(4)	(5)	(6)
Line No	FERC	Category	Vendor Name	Purpose	Amount	Recurring/ Non-recurring
1	901	Other Outside Services General	BANK OF AMERICA	DEV/MEAS/ANALYZE ORG PERFMC	2,607 51	Recurring
2	901	Sales/Use Tax-Outside Services	BANK OF AMERICA	DEV/MEAS/ANALYZE ORG PERFMC	113 10	Recurring
3	901 Total				2,720 61	
4	902	Contract Labor (General)	CLEVEST SOLUTIONS INC	READ BILLING METERS	12,318 25	Recurring
5	902	Contract Labor (General)	JPW ASSOCIATES INC	BID/AWARD/MGE CNTRCTS/SVC ORDS	585 00	Recurring
6	902	Contract Labor (General)	JPW ASSOCIATES INC	READ BILLING METERS	4,048 12	Recurring
7	902	Other Outside Services General	BANK OF AMERICA	READ BILLING METERS	5,762 04	Recurring
8	902	Sales/Use Tax-Outside Services	BANK OF AMERICA	READ BILLING METERS	148 89	Recurring
9	902 Total				22,862.30	
10	903	Other Outside Services General	BANK OF AMERICA	PROC DISCON/RECON-NON PYMT	510 53	Recurring
11	903	Other Outside Services General	DOTIE, MYCLE O	DEV/MEGE/ADMINSTR SAFETY PROGS	50 00	Recurring
12	903	Other Outside Services General	EGS FINANCIAL CARE INC	MGE/SUPP CLCTNS-ACTV DELINQS	119,608 99	Recurring
13	903	Other Outside Services General	FIRST CONTACT LLC	MGE/SUPP CLCTNS-ACTV DELINQS	172,256 30	Recurring
14	903	Other Outside Services General	GENESYS TELECOMMUNICATIONS LAB	MGE/SUPP CUSTOMER SERV BUSINES	4,756 84	Recurring
15	903	Other Outside Services General	LANGUAGE SELECT LLC	MGE/SUPP CUSTOMER SERV BUSINES	1,796 74	Recurring
16	903	Other Outside Services General	NCO FINANCIAL SYSTEMS INC	MGE/SUPP CLCTNS-ACTV DELINQS	66,616 10	Recurring
17	903	Sales/Use Tax-Outside Services	BANK OF AMERICA	PROC DISCON/RECON-NON PYMT	39 29	Recurring
18	903	Sales/Use Tax-Outside Services	DOTIE, MYCLE O	DEV/MEGE/ADMINSTR SAFETY PROGS	4 52	Recurring
19	903	Sales/Use Tax-Outside Services	FIRST CONTACT LLC	MGE/SUPP CLCTNS-ACTV DELINQS	7,343 60	Recurring
20	903	Sales/Use Tax-Outside Services	GENESYS TELECOMMUNICATIONS LAB	MGE/SUPP CUSTOMER SERV BUSINES	430 49	Recurring
21	903	Sales/Use Tax-Outside Services	LANGUAGE SELECT LLC	MGE/SUPP CUSTOMER SERV BUSINES	162 61	Recurring
22	903 Total				373,576 01	
23	905	Other Outside Services General	HOPE CONTRACTORS OF SHREVEPORT	REPAIR AND MAINTAIN BUILDINGS	6,800 00	Recurring
24	905	Other Outside Services General	I2SMS LLC	MGE/SUPP DISTRIBUTION BUSINESS	31,150 11	Recurring
25	905	Other Outside Services General	SALESFORCE COM INC	MGE/SUPP DISTRIBUTION BUSINESS	24,131 43	Recurring
26	905	Sales/Use Tax-Outside Services	HOPE CONTRACTORS OF SHREVEPORT	REPAIR AND MAINTAIN BUILDINGS	615 40	Recurring
27	905 Total				62,696 94	
28	907	Contract Labor (General)	AEE ENERGY SEMINARS	PARTICIPATE IN TRNG/LEARNING	15,200 00	Recurring
29	907	Other Outside Services General	BANK OF AMERICA	MANAGE DEMAND SIDE PROGS-PLANS	4,879 49	Recurring
30	907	Other Outside Services General	BANK OF AMERICA	MANAGE THE MKTG PROCESS	2,653 93	Recurring
31	907	Other Outside Services General	BANK OF AMERICA	MGE/SUPP DISTRIBUTION BUSINESS	250 00	Recurring
32	907	Other Outside Services General	BANK OF AMERICA	ORDER MATLS/EQPM/STUPPLIES	382 65	Recurring
33	907	Other Outside Services General	BANK OF AMERICA	PARTICIPATE IN TRNG/LEARNING	412 00	Recurring
34	907	Professional Services	ACXION CORPORATION	MANAGE DEMAND SIDE PROGS-PLANS	22,141 61	Recurring
35	907	Professional Services	ASSOCIATION OF ENERGY SERVICES	MANAGE DEMAND SIDE PROGS-PLANS	4,250 00	Recurring
36	907	Professional Services	CLEARRESULT CONSULTING INC	MANAGE DEMAND SIDE PROGS-PLANS	19,873 99	Recurring
37	907	Professional Services	EAST TEXAS HOMES LLC	MANAGE DEMAND SIDE PROGS-PLANS	500 00	Recurring
38	907	Professional Services	FAIRFIELD STUDIOS	MANAGE DEMAND SIDE PROGS-PLANS	3,450 00	Recurring
39	907	Professional Services	FRONTIER ENERGY INC	MANAGE DEMAND SIDE PROGS-PLANS	229,823 99	Recurring
40	907	Professional Services	FRONTIER ENERGY INC	MGE/PART IN REGULATORY AFFRS	410 26	Recurring
41	907	Professional Services	HICORP	MANAGE DEMAND SIDE PROGS-PLANS	8,891 37	Recurring
42	907	Professional Services	JUST SUE GRAPHIC DESIGN INC	MANAGE DEMAND SIDE PROGS-PLANS	1,470 50	Recurring
43	907	Professional Services	NORTHWEST LOUISIANA HOME BUILDERS ASSOC	MANAGE DEMAND SIDE PROGS-PLANS	275 00	Recurring
44	907	Professional Services	QUESTLINE INC	MANAGE DEMAND SIDE PROGS-PLANS	14,022 00	Recurring
45	907	Professional Services	TETRA TECH INC	MGE/PART IN REGULATORY AFFRS	71,649 53	Recurring
46	907	Sales/Use Tax-Outside Services	BANK OF AMERICA	MANAGE DEMAND SIDE PROGS-PLANS	100 43	Recurring
47	907	Sales/Use Tax-Outside Services	BANK OF AMERICA	MANAGE THE MKTG PROCESS	165 50	Recurring
48	907	Sales/Use Tax-Outside Services	BANK OF AMERICA	MGE/SUPP DISTRIBUTION BUSINESS	22 62	Recurring
49	907	Sales/Use Tax-Outside Services	BANK OF AMERICA	ORDER MATLS/EQPM/STUPPLIES	16 27	Recurring
50	907 Total				400,841.14	
51	908	Contract Labor (General)	ADM ASSOCIATES INC	MANAGE DEMAND SIDE PROGS-PLANS	75,903 04	Recurring
52	908	Legal Services And Expenses	MATTHEWS CAMPBELL RHOADS	MGE/PART IN REGULATORY AFFRS	62 00	Recurring
53	908	Other Outside Services General	ACXION CORPORATION	MANAGE DEMAND SIDE PROGS-PLANS	11,070 81	Recurring
54	908	Other Outside Services General	BANK OF AMERICA	MANAGE DEMAND SIDE PROGS-PLANS	805 54	Recurring
55	908	Other Outside Services General	BANK OF AMERICA	PARTICIPATE IN TRNG/LEARNING	10 36	Recurring
56	908	Other Outside Services General	BANK OF AMERICA	PLAN/DEV ACCT MGMT-ASSGND CUST	(250 00)	Recurring
57	908	Other Outside Services General	BANK OF AMERICA	PROV ENGY MGMT/TECH SUPP SVCS	144 62	Recurring
58	908	Professional Services	ADM ASSOCIATES INC	MANAGE DEMAND SIDE PROGS-PLANS	300,569 71	Recurring
59	908	Professional Services	ASSOCIATION OF ENERGY SERVICES	MANAGE DEMAND SIDE PROGS-PLANS	4,250 00	Recurring
60	908	Professional Services	CLEARRESULT CONSULTING INC	MANAGE DEMAND SIDE PROGS-PLANS	3,045,869 60	Recurring
61	908	Professional Services	FRONTIER ENERGY INC	MANAGE DEMAND SIDE PROGS-PLANS	5,256 25	Recurring
62	908	Professional Services	JOHNSON CONSULTING GROUP	MANAGE DEMAND SIDE PROGS-PLANS	21,712 40	Recurring
63	908	Professional Services	QUESTLINE INC	MANAGE DEMAND SIDE PROGS-PLANS	7,011 00	Recurring
64	908	Sales/Use Tax-Outside Services	BANK OF AMERICA	MANAGE DEMAND SIDE PROGS-PLANS	1 95	Recurring
65	908	Sales/Use Tax-Outside Services	BANK OF AMERICA	PLAN/DEV ACCT MGMT-ASSGND CUST	(22 63)	Recurring
66	908	Sales/Use Tax-Outside Services	BANK OF AMERICA	PROV ENGY MGMT/TECH SUPP SVCS	1 65	Recurring
67	908 Total				3,472,396 30	
68	912	Other Outside Services General	ARKANSAS ECONOMIC DEVELOPERS	CONDCT CMMNTY ECON DVLP EVALS	1,500 00	Recurring
69	912	Other Outside Services General	AR-TX REDD	CONDCT CMMNTY ECON DVLP EVALS	15,000 00	Recurring
70	912	Other Outside Services General	GREATER BOSSIER ECON DEV FOUND	CONDCT CMMNTY ECON DVLP EVALS	12,000 00	Recurring
71	912	Other Outside Services General	KILGORE ECONOMIC DEVELOPMENT CORP	CONDCT CMMNTY ECON DVLP EVALS	17,700 00	Recurring
72	912	Other Outside Services General	LONGVIEW ECONOMIC DEVELOPMENT	CONDCT CMMNTY ECON DVLP EVALS	10,000 00	Recurring
73	912	Other Outside Services General	LOUISIANA INDUSTRIAL DEVELOPMENT	CONDCT CMMNTY ECON DVLP EVALS	7,500 00	Recurring
74	912	Other Outside Services General	MOUNT PLEASANT ECONOMIC DEVELOPMENT CORP	CONDCT CMMNTY ECON DVLP EVALS	15,000 00	Recurring
75	912	Other Outside Services General	NATCHITOCHES COMMUNITY ALLIANCE	CONDCT CMMNTY ECON DVLP EVALS	1,200 00	Recurring
76	912	Other Outside Services General	NORTH LOUISIANA ECONOMIC PARTNERSHIP	CONDCT CMMNTY ECON DVLP EVALS	21,500 00	Recurring
77	912	Other Outside Services General	NORTHEAST TEXAS ECONOMIC	CONDCT CMMNTY ECON DVLP EVALS	1,000 00	Recurring
78	912	Other Outside Services General	PITTSBURG, CITY OF	CONDCT CMMNTY ECON DVLP EVALS	700 00	Recurring
79	912	Other Outside Services General	UNIVERSITY OF CENTRAL ARKANSAS	CONDCT CMMNTY ECON DVLP EVALS	3,000 00	Recurring
80	912	Sales/Use Tax-Outside Services	ARKANSAS ECONOMIC DEVELOPERS	CONDCT CMMNTY ECON DVLP EVALS	135 00	Recurring
81	912	Sales/Use Tax-Outside Services	AR-TX REDD	CONDCT CMMNTY ECON DVLP EVALS	1,237 50	Recurring
82	912	Sales/Use Tax-Outside Services	GREATER BOSSIER ECON DEV FOUND	CONDCT CMMNTY ECON DVLP EVALS	1,134 00	Recurring
83	912	Sales/Use Tax-Outside Services	KILGORE ECONOMIC DEVELOPMENT CORP	CONDCT CMMNTY ECON DVLP EVALS	1,460 25	Recurring
84	912	Sales/Use Tax-Outside Services	LONGVIEW ECONOMIC DEVELOPMENT	CONDCT CMMNTY ECON DVLP EVALS	825 00	Recurring
85	912	Sales/Use Tax-Outside Services	LOUISIANA INDUSTRIAL DEVELOPMENT	CONDCT CMMNTY ECON DVLP EVALS	746 25	Recurring
86	912	Sales/Use Tax-Outside Services	MOUNT PLEASANT ECONOMIC DEVELOPMENT CORP	CONDCT CMMNTY ECON DVLP EVALS	1,237 50	Recurring
87	912	Sales/Use Tax-Outside Services	NATCHITOCHES COMMUNITY ALLIANCE	CONDCT CMMNTY ECON DVLP EVALS	119 40	Recurring
88	912	Sales/Use Tax-Outside Services	NORTH LOUISIANA ECONOMIC PARTNERSHIP	CONDCT CMMNTY ECON DVLP EVALS	1,945 75	Recurring
89	912	Sales/Use Tax-Outside Services	NORTHEAST TEXAS ECONOMIC	CONDCT CMMNTY ECON DVLP EVALS	82 50	Recurring
90	912	Sales/Use Tax-Outside Services	PITTSBURG, CITY OF	CONDCT CMMNTY ECON DVLP EVALS	57 75	Recurring
91	912	Sales/Use Tax-Outside Services	UNIVERSITY OF CENTRAL ARKANSAS	CONDCT CMMNTY ECON DVLP EVALS	273 75	Recurring
92	912 Total				115,354 65	
93	921	Contract Labor (General)	ARGENT PROPERTY SERVICES LLC	PURCHASE PROPERTY	5,100 00	Recurring
94	921	Contract Labor (General)	PORTER, JW ASSOC LLC	SECURE DISTN RAW AND PERMITS	1,247 66	Recurring
95	921	Contract Labor (General)	SLACK TECHNOLOGIES INC	MGE/PART PUBLIC RELATIONS	2,697 28	Recurring
96	921	Other Outside Services General	ACXION CORPORATION	MGE/PART PUBLIC RELATIONS	13,596 14	Recurring
97	921	Other Outside Services General	ALL Y'ALL MEDIA LLC	MGE/PART PUBLIC RELATIONS	180 00	Recurring
98	921	Other Outside Services General	ARGENT PROPERTY SERVICES LLC	PURCHASE PROPERTY	5,275 00	Recurring
99	921	Other Outside Services General	BANK OF AMERICA	ENG/DESIGN DISTN LN FACILITIES	617 00	Recurring
100	921	Other Outside Services General	BANK OF AMERICA	HANDLE/DELIVER MAIL	2,927 00	Recurring
101	921	Other Outside Services General	BANK OF AMERICA	LEGISLATIVE AFFRS NON-LOBBYING	2,578 36	Recurring

102	921	Other Outside Services General	BANK OF AMERICA	MGE COAL OPERATIONS	362.58	Recurring
103	921	Other Outside Services General	BANK OF AMERICA	MGE/PART COMMUNITY RELATIONS	3,397.10	Recurring
104	921	Other Outside Services General	BANK OF AMERICA	MGE/PART IN REGULATORY AFFRS	1,147.96	Recurring
105	921	Other Outside Services General	BANK OF AMERICA	MGE/PART PUBLIC RELATIONS	6,870.25	Recurring
106	921	Other Outside Services General	BANK OF AMERICA	ORDER MATLS/EQPM/Supplies	18.35	Recurring
107	921	Other Outside Services General	BANK OF AMERICA	PERF STRATEGIC PLNG ANALYSIS	965.20	Recurring
108	921	Other Outside Services General	BANK OF AMERICA	REPAIR AND MAINTAIN BUILDINGS	690.45	Recurring
109	921	Other Outside Services General	BANK OF AMERICA	SUPP/PART-IND/PROF/TRADE ASSN	270.00	Recurring
110	921	Other Outside Services General	BANK OF AMERICA	TAX COMPLIANCE- STATE/LOCAL	500.00	Recurring
111	921	Other Outside Services General	FAIRFIELD STUDIOS	MGE/PART PUBLIC RELATIONS	550.00	Recurring
112	921	Other Outside Services General	GORDON FLESH CO INC	PROV PRINTNG/REPROD/NT/TPSTTNG	7,912.36	Recurring
113	921	Other Outside Services General	GORDON FLESH COMPANY INC	PROV PRINTNG/REPROD/NT/TPSTTNG	7,312.88	Recurring
114	921	Other Outside Services General	POLITECHS INC	LEGISLATIVE AFFRS NON-LOBBYING	55.00	Recurring
115	921	Other Outside Services General	RICOH USA INC	PROV PRINTNG/REPROD/NT/TPSTTNG	3,666.60	Recurring
116	921	Other Outside Services General	TROUT MEDIA	MGE/PART PUBLIC RELATIONS	1,850.00	Recurring
117	921	Other Outside Services General	UNITED PARCEL SERVICE	HANDLE/DELIVER MAIL	4,399.48	Recurring
118	921	Other Outside Services General	UNITED PARCEL SERVICE INC	HANDLE/DELIVER MAIL	3,277.25	Recurring
119	921	Other Outside Services General	VDO COMMUNICATIONS LLC	PERF STRATEGIC PLNG ANALYSIS	275.03	Recurring
120	921	Other Outside Services General	WILDSMITH, HENRIETTA	MGE/PART PUBLIC RELATIONS	650.00	Recurring
121	921	Other Outside Services General	WIRECARD NORTH AMERICA	PROCESS CUSTOMER PAYMENTS	13,377.82	Recurring
122	921	Outside Svcs-Bank Fees-Cash Mgmt	LITTLE ROCK CLUB	LEGISLATIVE AFFRS NON-LOBBYING	113.76	Recurring
123	921	Outside Svcs-Bank Fees-Cash Mgmt	PETROLEUM CLUB OF SHREVEPORT	LEGISLATIVE AFFRS NON-LOBBYING	32.65	Recurring
124	921	Outside Svcs-Bank Fees-Cash Mgmt	PETROLEUM CLUB OF SHREVEPORT	MGE/PART COMMUNITY RELATIONS	5.12	Recurring
125	921	Professional Services	ARGENT PROPERTY SERVICES LLC	PURCHASE PROPERTY	5,325.00	Recurring
126	921	Professional Services	BIRKMAN INTERNATIONAL INC	PLAN/MGE EMP CAREER DEVELOPMT	139.00	Recurring
127	921	Professional Services	QUESTLINE INC	MGE/PART PUBLIC RELATIONS	7,011.00	Recurring
128	921	Sales/Use Tax-Outside Services	ALL Y'ALL MEDIA LLC	MGE/PART PUBLIC RELATIONS	16.29	Recurring
129	921	Sales/Use Tax-Outside Services	ARGENT PROPERTY SERVICES LLC	PURCHASE PROPERTY	298.12	Recurring
130	921	Sales/Use Tax-Outside Services	BANK OF AMERICA	LEGISLATIVE AFFRS NON-LOBBYING	106.54	Recurring
131	921	Sales/Use Tax-Outside Services	BANK OF AMERICA	MGE COAL OPERATIONS	29.25	Recurring
132	921	Sales/Use Tax-Outside Services	BANK OF AMERICA	MGE/PART COMMUNITY RELATIONS	265.82	Recurring
133	921	Sales/Use Tax-Outside Services	BANK OF AMERICA	MGE/PART IN REGULATORY AFFRS	99.29	Recurring
134	921	Sales/Use Tax-Outside Services	BANK OF AMERICA	MGE/PART PUBLIC RELATIONS	584.73	Recurring
135	921	Sales/Use Tax-Outside Services	BANK OF AMERICA	ORDER MATLS/EQPM/Supplies	1.66	Recurring
136	921	Sales/Use Tax-Outside Services	BANK OF AMERICA	REPAIR AND MAINTAIN BUILDINGS	62.49	Recurring
137	921	Sales/Use Tax-Outside Services	BANK OF AMERICA	SUPP/PART-IND/PROF/TRADE ASSN	24.44	Recurring
138	921	Sales/Use Tax-Outside Services	FAIRFIELD STUDIOS	MGE/PART PUBLIC RELATIONS	49.78	Recurring
139	921	Sales/Use Tax-Outside Services	POLITECHS INC	LEGISLATIVE AFFRS NON-LOBBYING	4.54	Recurring
140	921	Sales/Use Tax-Outside Services	TROUT MEDIA	MGE/PART PUBLIC RELATIONS	180.38	Recurring
141	921	Sales/Use Tax-Outside Services	UNITED PARCEL SERVICE INC	HANDLE/DELIVER MAIL	270.52	Recurring
142	921	Sales/Use Tax-Outside Services	VDO COMMUNICATIONS LLC	PERF STRATEGIC PLNG ANALYSIS	24.89	Recurring
143	921	Sales/Use Tax-Outside Services	WILDSMITH, HENRIETTA	MGE/PART PUBLIC RELATIONS	58.83	Recurring
144	921	Total			106,470.85	
145	923	Contract Labor (General)	BENNETT, SANDRA S	MGE/MONITOR/DISP TRANSN SYS	1,860.11	Recurring
146	923	Contract Labor (General)	BENNETT, SANDRA SUE	MGE/MONITOR/DISP TRANSN SYS	8,122.16	Recurring
147	923	Contract Labor (General)	KEY PERSONNEL	MGE/PART IN REGULATORY AFFRS	65,559.00	Recurring
148	923	Legal Services And Expenses	BRACEWELL LLP	ADM/PART IN LABOR GRIEVANCES	318,816.32	Recurring
149	923	Legal Services And Expenses	BRADLEY MURCHISON KELLY & SHEA LLC	MGE/SUPP CLCTNS-ACTV DELINQS	5,460.45	Recurring
150	923	Legal Services And Expenses	BRYAN CAVE LEIGHTON PAISNER LLP	PERF STRATEGIC PLNG ANALYSIS	400,489.15	Recurring
151	923	Legal Services And Expenses	COGHLAN CROWSON LLP	BID/AWARD/MGE CNTRCTS/SVC ORDS	25,964.62	Recurring
152	923	Legal Services And Expenses	COGHLAN CROWSON LLP	MANAGE LIABILITY CLAIMS	385.00	Recurring
153	923	Legal Services And Expenses	COGHLAN CROWSON LLP	MANAGE OPERATIONAL RISK	10,451.88	Recurring
154	923	Legal Services And Expenses	COGHLAN CROWSON LLP	PURCHASE PROPERTY	127,033.96	Recurring
155	923	Legal Services And Expenses	COGHLAN CROWSON LLP	SECURE TRANSN R/W AND PERMITS	32,267.89	Recurring
156	923	Legal Services And Expenses	DUGGINS WREN MANN & ROMERO LLP	MGE/PART IN REGULATORY AFFRS	41,027.11	Recurring
157	923	Legal Services And Expenses	DUGGINS WREN MANN & ROMERO LLP	PREP OTH NON-RATE CASE FILNGS	22,632.72	Recurring
158	923	Legal Services And Expenses	DUGGINS WREN MANN & ROMERO LLP	SECURE TRANSN R/W AND PERMITS	88,889.25	Recurring
159	923	Legal Services And Expenses	GILL RAGON OWEN PA	MGE/PART IN REGULATORY AFFRS	119,434.00	Recurring
160	923	Legal Services And Expenses	HUNTON ANDREWS KURTH LLP	MGE/PART IN REGULATORY AFFRS	70,000.00	Recurring
161	923	Legal Services And Expenses	HUNTON ANDREWS KURTH LLP	PERF PERMIT REG COMPLIANCE-AIR	10,000.00	Recurring
162	923	Legal Services And Expenses	JENNER & BLOCK LLP	MANAGE LIABILITY CLAIMS	311,065.16	Recurring
163	923	Legal Services And Expenses	LAW FIRM OF RUSSELL R. JOHNSON III PLC	MGE/PART IN REGULATORY AFFRS	229,791.60	Recurring
164	923	Legal Services And Expenses	LAW FIRM OF RUSSELL R. JOHNSON III PLC	MGE/SUPP CLCTNS-ACTV DELINQS	1,600.00	Recurring
165	923	Legal Services And Expenses	LAW FIRM OF RUSSELL R. JOHNSON III PLC	MGE/SUPP CLCTNS-INACTV DELINQ	3,830.25	Recurring
166	923	Legal Services And Expenses	LSKOW & LEWIS PLC	MGE/PART IN REGULATORY AFFRS	342.25	Recurring
167	923	Legal Services And Expenses	LSKOW & LEWIS PLC	TAX COMPLIANCE- FEDERAL	48,915.06	Recurring
168	923	Legal Services And Expenses	MATTHEWS CAMPBELL RHOADS	MGE/PART IN REGULATORY AFFRS	34,294.93	Recurring
169	923	Legal Services And Expenses	MATTHEWS CAMPBELL RHOADS	PREP OTH NON-RATE CASE FILNGS	4,200.50	Recurring
170	923	Legal Services And Expenses	MCDERMOTT WILL & EMERY	COORDINATE TAX PLNG/ANALYSIS	5,950.00	Recurring
171	923	Legal Services And Expenses	MCQUAIG & ASSOCIATES LLC	MGE/PART IN REGULATORY AFFRS	4,921.25	Recurring
172	923	Legal Services And Expenses	MITCHELL WILLIAMS SELIG GATES & WOODYARD	PERF PERMIT REG COMPLIANCE-AIR	5,483.91	Recurring
173	923	Legal Services And Expenses	MORRIS NICHOLS ARSHT & TUNNELL	MANAGE LIABILITY CLAIMS	10,634.00	Recurring
174	923	Legal Services And Expenses	PATRICK MILLER LLC	MGE/PART IN REGULATORY AFFRS	1,215.96	Recurring
175	923	Legal Services And Expenses	PPGMR LAW PLLC	PERF PERMIT REG COMPLIANCE-AIR	800.00	Recurring
176	923	Legal Services And Expenses	ROYAL ALEXANDER LAW FIRM	MGE/PART IN REGULATORY AFFRS	5,212.15	Recurring
177	923	Legal Services And Expenses	SIMPSON THACHER & BARTLETT	EVAL DIVERSIFICATION OPPORS	47,017.05	Recurring
178	923	Legal Services And Expenses	STEPTOE & JOHNSON	PERF PERMIT REG COMPLIANCE-AIR	22,000.00	Recurring
179	923	Legal Services And Expenses	STEPTOE & JOHNSON LLP	MGE/PART IN REGULATORY AFFRS	60,677.99	Recurring
180	923	Legal Services And Expenses	STEPTOE & JOHNSON LLP	PERF PERMIT REG COMPLIANCE-AIR	151,496.96	Recurring
181	923	Legal Services And Expenses	STEPTOE & JOHNSON LLP	RESP PSG/LEGSLTV CUST COMPLNTS	10,391.83	Recurring
182	923	Legal Services And Expenses	STONE PIGMAN WALTHER WITTMANN &	MGE/PART IN REGULATORY AFFRS	325,428.31	Recurring
183	923	Legal Services And Expenses	TROUTMAN SANDERS LLP	COORDINATE TAX PLNG/ANALYSIS	255.00	Recurring
184	923	Legal Services And Expenses	VAN NESS FELDMAN	MGE/PART IN REGULATORY AFFRS	32,731.69	Recurring
185	923	Legal Services And Expenses	WAGSTAFF LLP	PERF STRATEGIC PLNG ANALYSIS	75.00	Recurring
186	923	Legal Services And Expenses	WAGSTAFF LLP	SECURE TRANSN R/W AND PERMITS	9,413.92	Recurring
187	923	Legal Services And Expenses	WELDER LESHIN LORENZ MCNIFF BUCHANAN	SECURE TRANSN R/W AND PERMITS	1,590.00	Recurring
188	923	Legal Services And Expenses	WILKINSON CARMODY & GILLIAM	ADM/PART IN LABOR GRIEVANCES	17,894.62	Recurring
189	923	Legal Services And Expenses	WILKINSON CARMODY & GILLIAM	MGE/PART IN REGULATORY AFFRS	930,511.99	Recurring
190	923	Legal Services And Expenses	WILKINSON CARMODY & GILLIAM	PREP OTH NON-RATE CASE FILNGS	26,768.77	Recurring
191	923	Legal Services And Expenses	WINSTEAD PC	PERF PERMIT REG COMPLIANCE-AIR	25,104.50	Recurring
192	923	Other Outside Services General	BEAR RIVER ASSOCIATES INC	HANDLE/DELIVER MAIL	6,753.71	Recurring
193	923	Other Outside Services General	PEOPLEFACTS LLC	DEV/MGE/ADMINSTR SAFETY PROGS	618.08	Recurring
194	923	Other Outside Services General	UNITED PARCEL SERVICE INC	TAX COMPLIANCE- FEDERAL	13.11	Recurring
195	923	Other Outside Services General	XEROX CORP	Prov Office/Audio Visual Equip	85,966.02	Recurring
196	923	Outside Svcs-Trustee Fees	BANK OF NEW YORK MELLON	MGE/PARTICIPATE CORP FINANCING	4,200.00	Recurring
197	923	Professional Services	ACADIAN CONSULTING GROUP	MGE/PART IN REGULATORY AFFRS	252.99	Recurring
198	923	Professional Services	CT CORPORATION	MAINTN CORP EXIST AEP SYS COS	1,162.04	Recurring
199	923	Professional Services	HENDERSON RIDGE CONSULTING INC	MGE/PART IN REGULATORY AFFRS	14,880.48	Recurring
200	923	Professional Services	J KENNEDY & ASSOCIATES	MGE/PART IN REGULATORY AFFRS	13,502.14	Recurring
201	923	Professional Services	RESOLVED ENERGY CONSULTING LLC	MGE/PART IN REGULATORY AFFRS	13,213.66	Recurring
202	923	Professional Services	SLATON, D DAVID	MGE/SUPP DISTRIBUTION BUSINESS	60,000.00	Recurring
203	923	Professional Services	UNITED PROFESSIONALS COMPANY	MGE/PART IN REGULATORY AFFRS	91,209.68	Recurring
204	923	Professional Services	VERITEXT CORPORATE SERVICES INC	MANAGE OPERATIONAL RISK	774.35	Recurring
205	923	Sales/Use Tax-Outside Services	WOLFEPAK SOFTWARE LLC	MGE COAL OPERATIONS	156.25	Recurring
206	923	Software - Acquisition	INSIGHT DIRECT USA INC	MGE COAL OPERATIONS	440.48	Recurring
207	923	Software - Acquisition	WOLFEPAK SOFTWARE LLC	MGE COAL OPERATIONS	2,500.00	Recurring
208	923	Total			3,973,651.26	
209	925	Legal Services And Expenses	WILKINSON CARMODY & GILLIAM	MANAGE OPERATIONAL RISK	2,124.75	Recurring
210	925	Other Outside Services General	BANK OF AMERICA	DEV/MGE/ADMINSTR SAFETY PROGS	201.30	Recurring

211	925 Total			2,326.05	
212	926	Contract Labor (General)	LONGVIEW OCCUPATIONAL MEDICINE	410.00	Recurring
213	926	Other Outside Services General	BANK OF AMERICA	400.00	Recurring
214	926	Sales/Use Tax-Outside Services	BANK OF AMERICA	34.43	Recurring
215	926 Total			849.43	
216	928	Contract Labor (General)	KEY PERSONNEL	19,987.50	Recurring
217	928	Legal Services And Expenses	BAKER BOTTS LLP	10,512.50	Recurring
218	928	Legal Services And Expenses	DUGGINS WREN MANN & ROMERO LLP	99,173.01	Recurring
219	928	Legal Services And Expenses	DUGGINS WREN MANN & ROMERO LLP	203,360.72	Recurring
220	928	Legal Services And Expenses	GILL RAGON OWEN PA	219,561.76	Recurring
221	928	Legal Services And Expenses	JENNINGS STROUSS	24,869.53	Recurring
222	928	Legal Services And Expenses	LONGVIEW, CITY OF	29,796.70	Recurring
223	928	Legal Services And Expenses	LONGVIEW, CITY OF	2,009.10	Recurring
224	928	Legal Services And Expenses	LONGVIEW, CITY OF	52,524.15	Recurring
225	928	Legal Services And Expenses	MATTHEWS CAMPBELL RHOADS	74,730.83	Recurring
226	928	Legal Services And Expenses	NATIONAL ECONOMIC RESEARCH ASSOC INC	89,341.25	Recurring
227	928	Legal Services And Expenses	PETROLEUM CLUB OF SHREVEPORT	252.81	Recurring
228	928	Legal Services And Expenses	ROWE, JON P PHD	18,657.72	Recurring
229	928	Legal Services And Expenses	SCOTT MADDEN INC	98,011.25	Recurring
230	928	Legal Services And Expenses	SCOTT MADDEN INC	5,162.50	Recurring
231	928	Legal Services And Expenses	WILKINSON CARMODY & GILLIAM	123,377.11	Recurring
232	928	Legal Services And Expenses	WILKINSON CARMODY & GILLIAM	18,402.82	Recurring
233	928	Other Outside Services General	FAYETTEVILLE TOWN CENTER	1,500.00	Recurring
234	928	Other Outside Services General	TEXAS PRESS SERVICE INC	12,445.00	Recurring
235	928	Outside Svcs-Audit Fees Financ	LONGVIEW, CITY OF	2,565.50	Recurring
236	928	Professional Services	RESOLVED ENERGY CONSULTING LLC	21,879.00	Recurring
237	928	Professional Services	TEXAS PRESS SERVICE INC	8,064.16	Recurring
238	928	Professional Services	TEXASADMIN COM	3,950.38	Recurring
239	928	Sales/Use Tax-Outside Services	FAYETTEVILLE TOWN CENTER	146.25	Recurring
240	928	Sales/Use Tax-Outside Services	TEXAS PRESS SERVICE INC	1,026.71	Recurring
241	928 Total			1,141,298.26	
242	930	Contract Labor (General)	BELLOMY RESEARCH INC	18,903.06	Recurring
243	930	Contract Labor (General)	HIGHER POWER ELECTRICAL LLC	152,138.38	Recurring
244	930	Contract Labor (General)	JOYCE STEEL ERECTION LTD	1,070.70	Recurring
245	930	Contract Labor (General)	MALOUF ENGINEERING	1,800.00	Recurring
246	930	Contract Labor (General)	MSR GROUP	56,529.76	Recurring
247	930	Other Outside Services General	BANK OF AMERICA	145.00	Recurring
248	930	Other Outside Services General	BANK OF AMERICA	302.95	Recurring
249	930	Other Outside Services General	BANK OF AMERICA	72.95	Recurring
250	930	Other Outside Services General	BROADWAY ELECTRIC SERVICE CORP	17,232.62	Recurring
251	930	Other Outside Services General	WILMINGTON TRUST CO	9,480.00	Recurring
252	930	Outside Svcs-Trustee Fees	BANK OF NEW YORK MELLON	22,304.00	Recurring
253	930	Outside Svcs-Trustee Fees	WILMINGTON TRUST CO	4,395.00	Recurring
254	930	Sales/Use Tax-Outside Services	BANK OF AMERICA	11.96	Recurring
255	930	Sales/Use Tax-Outside Services	BANK OF AMERICA	27.42	Recurring
256	930	Sales/Use Tax-Outside Services	BROADWAY ELECTRIC SERVICE CORP	1,421.69	Recurring
257	930 Total			285,835.49	
258	931	Other Outside Services General	BANK OF AMERICA	454.63	Recurring
259	931	Other Outside Services General	XEROX CORP	9,144.71	Recurring
260	931	Sales/Use Tax-Outside Services	BANK OF AMERICA	41.14	Recurring
261	931 Total			9,640.48	
262	935	Contract Labor (General)	BEN MAINES AIR CONDITIONING IN	1,899.95	Recurring
263	935	Contract Labor (General)	BLOCKER BUILDERS LLC	2,940.50	Recurring
264	935	Contract Labor (General)	BRIGHT LIGHTING INC	683.75	Recurring
265	935	Contract Labor (General)	BRIGHT LIGHTING INC	6,504.38	Recurring
266	935	Contract Labor (General)	CAMELOT SERVICES INC	76,393.40	Recurring
267	935	Contract Labor (General)	DMR MECHANICAL LLC	5,560.50	Recurring
268	935	Contract Labor (General)	ITS TECHNOLOGIES INC	1,736.00	Recurring
269	935	Contract Labor (General)	LAWNMAKERS	6,675.00	Recurring
270	935	Contract Labor (General)	LUM ENTERPRISES INC	2,189.26	Recurring
271	935	Contract Labor (General)	OKLAHOMA POWER GENERATION	343.75	Recurring
272	935	Contract Labor (General)	PHELPS CONSTRUCTION INC	12,250.00	Recurring
273	935	Contract Labor (General)	SELECT GROUP	630.00	Recurring
274	935	Contract Labor (General)	SELECT GROUP	77.00	Recurring
275	935	Contract Labor (General)	SELECT GROUP US LLC	267.05	Recurring
276	935	Contract Labor (General)	SELECT GROUP US LLC	161.70	Recurring
277	935	Contract Labor (General)	SUN TECHNICAL SERVICES INC	782.46	Recurring
278	935	Other Outside Services General	AMERICAN REFRIGERATION & ICE I	280.00	Recurring
279	935	Other Outside Services General	ATCO FIRE SERVICES INC	1,774.00	Recurring
280	935	Other Outside Services General	B & C COMMUNICATIONS	35.00	Recurring
281	935	Other Outside Services General	BANK OF AMERICA	121.25	Recurring
282	935	Other Outside Services General	BANK OF AMERICA	10.96	Recurring
283	935	Other Outside Services General	BANK OF AMERICA	1,509.02	Recurring
284	935	Other Outside Services General	BANK OF AMERICA	64,921.24	Recurring
285	935	Other Outside Services General	BEN MAINES AIR CONDITIONING IN	7,022.95	Recurring
286	935	Other Outside Services General	BEN MAINES AIR CONDITIONING INC	4,866.51	Recurring
287	935	Other Outside Services General	BLOCKER BUILDERS LLC	16,814.83	Recurring
288	935	Other Outside Services General	BROADWAY ELECTRIC SERVICE CORP	4,595.62	Recurring
289	935	Other Outside Services General	BROWN SECURITY & LIFE SAFETY S	900.00	Recurring
290	935	Other Outside Services General	BROWN SECURITY SYSTEMS	900.00	Recurring
291	935	Other Outside Services General	CAMELOT SERVICES INC	22,850.00	Recurring
292	935	Other Outside Services General	CAMELOT SERVICES INC	361,914.69	Recurring
293	935	Other Outside Services General	COMPLETE AIR SOLUTIONS	16,922.51	Recurring
294	935	Other Outside Services General	DESIGN BUILD SOLUTIONS INC	4,173.90	Recurring
295	935	Other Outside Services General	DMR MECHANICAL LLC	38,185.62	Recurring
296	935	Other Outside Services General	EASTEX TOWER INC	74,241.00	Recurring
297	935	Other Outside Services General	EASTEX TOWER LLC	1,918.75	Recurring
298	935	Other Outside Services General	EASTEX TOWER LLC	2,660.00	Recurring
299	935	Other Outside Services General	EML INC	970.00	Recurring
300	935	Other Outside Services General	H & S LAWN	2,925.00	Recurring
301	935	Other Outside Services General	H & S LAWN SERVICE	2,600.00	Recurring
302	935	Other Outside Services General	JAMES LANE AIR CONDITIONING & PLUMBING	696.00	Recurring
303	935	Other Outside Services General	KING ELECTRIC	9,387.44	Recurring
304	935	Other Outside Services General	KRAUSE SERVICE COMPANY INC	9,046.99	Recurring
305	935	Other Outside Services General	LAWNMAKERS	4,575.00	Recurring
306	935	Other Outside Services General	LAWNMAKERS / JAY WILSON	10,475.00	Recurring
307	935	Other Outside Services General	LEI INC	3,212.47	Recurring
308	935	Other Outside Services General	LUM ENTERPRISES INC	7,383.47	Recurring
309	935	Other Outside Services General	LUMS SALES & SERVICE	2,839.99	Recurring
310	935	Other Outside Services General	MEIER, JOHN W	600.00	Recurring
311	935	Other Outside Services General	NEOPOST	227.70	Recurring
312	935	Other Outside Services General	NEW LONDON TECHNOLOGY	2,372.50	Recurring
313	935	Other Outside Services General	OKLAHOMA POWER GENERATION	2,123.04	Recurring
314	935	Other Outside Services General	OKLAHOMA POWER GENERATION	17,977.23	Recurring
315	935	Other Outside Services General	OVERHEAD DOOR CO	2,547.50	Recurring
316	935	Other Outside Services General	OVERHEAD DOOR CO OF SPRINGDALE INC	200.00	Recurring
317	935	Other Outside Services General	S & B INTEREST INC	5,432.66	Recurring
318	935	Other Outside Services General	SECURITAS ELECTRONIC SECURITY	87,948.41	Recurring
319	935	Other Outside Services General	SECURITAS ELECTRONIC SECURITY	882.53	Recurring

320	935	Other Outside Services General	SECURITAS ELECTRONIC SECURITY INC	PROVIDE/MGE SECURITY SERVICES	64,734.08	Recurring
321	935	Other Outside Services General	SINGLESOURCE COMMUNICATIONS	PREVENT MAINT-TELECOM SYS/EQP	600.00	Recurring
322	935	Other Outside Services General	SPX FLOW US LLC	ENG/DESIGN TELECOM SYSTEMS	(246.43)	Recurring
323	935	Other Outside Services General	SUN TECHNICAL SERVICES INC	REPAIR AND MAINTAIN BUILDINGS	12,604.41	Recurring
324	935	Other Outside Services General	SYSTEM PARKING INC	PREVENT MAINT-TELECOM SYS/EQP	256.00	Recurring
325	935	Other Outside Services General	TERRACON CONSULTANTS INC	REPAIR AND MAINTAIN BUILDINGS	26,344.54	Recurring
326	935	Other Outside Services General	TOWER COMMUNICATIONS INC	ENG/DESIGN TELECOM SYSTEMS	1,404.00	Recurring
327	935	Other Outside Services General	UNITED PARCEL SERVICE	PREVENT MAINT-TELECOM SYS/EQP	364.43	Recurring
328	935	Sales/Use Tax-Outside Services	AMERICAN REFRIGERATION & ICE I	PREVENT MAINT-TELECOM SYS/EQP	26.46	Recurring
329	935	Sales/Use Tax-Outside Services	ATCO FIRE SERVICES INC	REPAIR AND MAINTAIN BUILDINGS	146.36	Recurring
330	935	Sales/Use Tax-Outside Services	B & C COMMUNICATIONS	ENG/DESIGN TELECOM SYSTEMS	3.17	Recurring
331	935	Sales/Use Tax-Outside Services	BANK OF AMERICA	PREVENT MAINT-TELECOM SYS/EQP	23.86	Recurring
332	935	Sales/Use Tax-Outside Services	BANK OF AMERICA	REPAIR AND MAINTAIN BUILDINGS	2,879.95	Recurring
333	935	Sales/Use Tax-Outside Services	BEN MAINES AIR CONDITIONING IN	REPAIR AND MAINTAIN BUILDINGS	736.13	Recurring
334	935	Sales/Use Tax-Outside Services	BEN MAINES AIR CONDITIONING INC	REPAIR AND MAINTAIN BUILDINGS	401.47	Recurring
335	935	Sales/Use Tax-Outside Services	BLOCKER BUILDERS LLC	REPAIR AND MAINTAIN BUILDINGS	1,676.88	Recurring
336	935	Sales/Use Tax-Outside Services	BROADWAY ELECTRIC SERVICE CORP	ENG/DESIGN TELECOM SYSTEMS	379.14	Recurring
337	935	Sales/Use Tax-Outside Services	BROWN SECURITY & LIFE SAFETY S	REPAIR AND MAINTAIN BUILDINGS	81.46	Recurring
338	935	Sales/Use Tax-Outside Services	BROWN SECURITY SYSTEMS	REPAIR AND MAINTAIN BUILDINGS	81.46	Recurring
339	935	Sales/Use Tax-Outside Services	COMPLETE AIR SOLUTIONS	PREVENT MAINT-TELECOM SYS/EQP	1,531.48	Recurring
340	935	Sales/Use Tax-Outside Services	DMR MECHANICAL LLC	REPAIR AND MAINTAIN BUILDINGS	3,778.31	Recurring
341	935	Sales/Use Tax-Outside Services	EASTEX TOWER INC	PREVENT MAINT-TELECOM SYS/EQP	6,682.23	Recurring
342	935	Sales/Use Tax-Outside Services	EASTEX TOWER LLC	ENG/DESIGN TELECOM SYSTEMS	187.08	Recurring
343	935	Sales/Use Tax-Outside Services	EASTEX TOWER LLC	PREVENT MAINT-TELECOM SYS/EQP	240.73	Recurring
344	935	Sales/Use Tax-Outside Services	EML INC	ENG/DESIGN TELECOM SYSTEMS	87.79	Recurring
345	935	Sales/Use Tax-Outside Services	H & S LAWN	REPAIR AND MAINTAIN BUILDINGS	246.53	Recurring
346	935	Sales/Use Tax-Outside Services	H & S LAWN SERVICE	REPAIR AND MAINTAIN BUILDINGS	214.52	Recurring
347	935	Sales/Use Tax-Outside Services	JAMES LANE AIR CONDITIONING & PLUMBING	REPAIR AND MAINTAIN BUILDINGS	57.42	Recurring
348	935	Sales/Use Tax-Outside Services	KING ELECTRIC	REPAIR AND MAINTAIN BUILDINGS	809.14	Recurring
349	935	Sales/Use Tax-Outside Services	KRAUSE SERVICE COMPANY INC	PREVENT MAINT-TELECOM SYS/EQP	819.65	Recurring
350	935	Sales/Use Tax-Outside Services	LAWNMAKERS	PREVENT MAINT-TELECOM SYS/EQP	420.91	Recurring
351	935	Sales/Use Tax-Outside Services	LAWNMAKERS / JAY WILSON	PREVENT MAINT-TELECOM SYS/EQP	954.87	Recurring
352	935	Sales/Use Tax-Outside Services	LEI INC	REPAIR AND MAINTAIN BUILDINGS	287.81	Recurring
353	935	Sales/Use Tax-Outside Services	LUM ENTERPRISES INC	REPAIR AND MAINTAIN BUILDINGS	807.27	Recurring
354	935	Sales/Use Tax-Outside Services	LUMS SALES & SERVICE	REPAIR AND MAINTAIN BUILDINGS	246.22	Recurring
355	935	Sales/Use Tax-Outside Services	MEIER, JOHN W	PREVENT MAINT-TELECOM SYS/EQP	56.70	Recurring
356	935	Sales/Use Tax-Outside Services	NEOPOST	HANDLE/DELIVER MAIL	20.60	Recurring
357	935	Sales/Use Tax-Outside Services	NEW LONDON TECHNOLOGY	ENG/DESIGN TELECOM SYSTEMS	215.28	Recurring
358	935	Sales/Use Tax-Outside Services	OKLAHOMA POWER GENERATION	PREVENT MAINT-TELECOM SYS/EQP	206.99	Recurring
359	935	Sales/Use Tax-Outside Services	OKLAHOMA POWER GENERATION	REPAIR AND MAINTAIN BUILDINGS	1,612.42	Recurring
360	935	Sales/Use Tax-Outside Services	OVERHEAD DOOR CO	REPAIR AND MAINTAIN BUILDINGS	210.17	Recurring
361	935	Sales/Use Tax-Outside Services	OVERHEAD DOOR CO OF SPRINGDALE INC	REPAIR AND MAINTAIN BUILDINGS	18.10	Recurring
362	935	Sales/Use Tax-Outside Services	S & B INTEREST INC	REPAIR AND MAINTAIN BUILDINGS	454.36	Recurring
363	935	Sales/Use Tax-Outside Services	SECURITAS ELECTRONIC SECURITY	PROVIDE/MGE SECURITY SERVICES	7,957.76	Recurring
364	935	Sales/Use Tax-Outside Services	SECURITAS ELECTRONIC SECURITY	REPAIR AND MAINTAIN BUILDINGS	79.87	Recurring
365	935	Sales/Use Tax-Outside Services	SECURITAS ELECTRONIC SECURITY INC	PROVIDE/MGE SECURITY SERVICES	5,858.44	Recurring
366	935	Sales/Use Tax-Outside Services	SINGLESOURCE COMMUNICATIONS	PREVENT MAINT-TELECOM SYS/EQP	58.50	Recurring
367	935	Sales/Use Tax-Outside Services	SPX FLOW US LLC	ENG/DESIGN TELECOM SYSTEMS	(24.03)	Recurring
368	935	Sales/Use Tax-Outside Services	SUN TECHNICAL SERVICES INC	REPAIR AND MAINTAIN BUILDINGS	44.91	Recurring
369	935	Sales/Use Tax-Outside Services	SYSTEM PARKING INC	PREVENT MAINT-TELECOM SYS/EQP	23.17	Recurring
370	935	Sales/Use Tax-Outside Services	TOWER COMMUNICATIONS INC	ENG/DESIGN TELECOM SYSTEMS	136.90	Recurring
371	935	Software - Maintenance	MAPTEK	MGE COAL OPERATIONS	16,891.82	Recurring
372	935	Software - Maintenance	WP SOFTWARE CONSULTANTS LLC	MGE COAL OPERATIONS	12,000.00	Recurring
373	935	Temporary Staffing	AEROTEK INC	ORDER MATLS/EQPM/STUPPLIES	2,643.36	Recurring
374	935	Temporary Staffing	AEROTEK INC	PREVENT MAINT-TELECOM SYS/EQP	13,457.46	Recurring
375	935	Temporary Staffing	APEX SYSTEMS INC	ORDER MATLS/EQPM/STUPPLIES	90.00	Recurring
376	935	Temporary Staffing	APEX SYSTEMS INC	PREVENT MAINT-TELECOM SYS/EQP	2,415.00	Recurring
377	935	Temporary Staffing	EXPERIS US INC	PLAN TELECOM SYSTEM	39.00	Recurring
378	935	Temporary Staffing	INSIGHT GLOBAL INC	PLAN TELECOM SYSTEM	13,344.24	Recurring
379	935	Temporary Staffing	MANIFEST SOLUTIONS CORP	PREVENT MAINT-TELECOM SYS/EQP	1,443.00	Recurring
380		935 Total			1,129,258.83	
381		Grand Total			11,099,778.60	

SOUTHWESTERN ELECTRIC POWER COMPANY
Taxes Other Than Income Taxes
For the Test Year Ended March 31, 2020

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
					Actual Taxes Paid In Calendar Year (A)					
Line No	Description	WP Ref	2017	2018	2019	Test Year Expense	Adjustments	Total Adjusted Taxes		
1	Non Revenue-Related									
2	Ad Valorem									
3	Texas	WP A-3 13-1	24,167,085	18,971,123	24,436,166	19,752,787	1,626,874			21,379,661
4	Other States	WP A-3 13-1, 5 WP B-1 4	37,879,916	41,709,432	42,075,560	42,662,719	3,422,126			46,084,845
5	Payroll Taxes				-					
6	FICA	WP A-3.13.2	10,848,856	10,719,613	11,262,239	6,971,664	45,867			7,017,532
7	FUTA		66,702	66,432	66,575	40,193	-			40,193
8	SUTA		130,047	71,432	76,605	40,777	-			40,777
9	Total		11,045,605	10,857,477	11,405,420	7,052,634	45,867	-		7,098,502
10	Franchise:									
11	Texas			-	-	-	-			-
12	Other States excl Texas		5,061,351	5,270,951	3,938,645	4,393,405	(4,393,405)			-
13	Environmental Tax			-	-	-	-			-
14	Other Taxes:									
15	Sales & Use Tax	WP A-3 13 3	19,176,997	19,012,713	16,497,248	39,720	(39,720)			-
16	Other	WP A-3 13 3	86,829	86,623	85,820	85,990	(84,295)			1,695
17										
18	Subtotal		97,417,783	95,908,320	98,438,859	73,987,254	577,448	-		74,564,702
19										
20	Revenue-Related									
21	State Gross Receipts									
22	Texas	WP A-3 13	5,722,632	6,693,737	6,242,577	6,215,215	51,292			6,266,507
23	Other States		8	104	8	8	-			8
24	Local Gross Receipts (B)									
25	Texas	WP A-3.13 4	8,751,273	9,276,014	9,122,264	9,357,340	(5,303,766)			4,053,574
26	Other States		7,969,110	8,926,429	8,553,241	8,327,064				8,327,064
27	PUC Assessment				-					
28	Texas	WP A-3 13	893,878	959,412	981,365	989,177	8,163			997,341
29	Other States		1,059,850	1,136,598	1,178,984	1,188,520				1,188,520
30										
31	Subtotal		24,396,752	26,992,294	26,078,440	26,077,326	(5,244,311)	-		20,833,015
32										
33	Total Taxes Other Than Income Taxes		121,814,535	122,900,613	124,517,298	100,064,580	(4,666,863)	-		95,397,717

Note A: These three columns include only actual taxes paid during each of the three preceding calendar years and will not include any accrued taxes.
Note B: Also referred to as Local Privilege/Franchise Fee

SOUTHWESTERN ELECTRIC POWER COMPANY
 Ad Valorem Taxes & Plant Balances
 For the Test Year Ended March 31, 2020

Line No	(1) Year	(2) Ad Valorem Taxes Assessed	(3) Penalties Paid	(4) Discounts Taken	(5) Plant Balances @ Beg of Period	Acct 1010001 & 106 EPIS	Beginning CWIP	Beginning Accum Depr	NEPIS
1	2017	62,047,001	\$0	\$104,427	8,708,952,570	8,595,249,233.59	113,703,336.58	(2,707,168,068.53)	5,888,081,165.06
2	2018	60,680,555	6	84,172	9,045,922,995	8,825,159,249.26	220,763,745.30	(2,857,783,275.88)	5,967,375,973.38
3	2019	66,511,726	0	86,263	9,381,532,757	9,186,866,586.30	194,666,171.15	(2,983,541,680.23)	6,203,324,906.07

AMENDMENT NO. 2
TO
THIRD AMENDED AND RESTATED PURCHASE AGREEMENT

THIS AMENDMENT No. 2 ("this Amendment") is made as of the 30th day of January 2008, by and between AEP CREDIT, INC., a Delaware corporation ("Credit") and SOUTHWESTERN ELECTRIC POWER COMPANY, a Delaware corporation ("Seller").

WITNESSETH:

WHEREAS, Credit and Seller are parties to the Third Amended and Restated Purchase Agreement dated as of August 25, 2004, as amended by that certain Amendment No. 1 to the Third Amended and Restated Purchase Agreement dated as of March 22, 2006 (as amended, modified or supplemented from time to time, "the Purchase Agreement");

WHEREAS, pursuant to Section 9.1.1 of the Purchase Agreement, Credit and Seller desire to amend the Purchase Agreement upon the terms set forth below;

WHEREAS, the Majority Purchasers (as such term is defined in the Second Amended and Restated Receivables Purchase Agreement dated as of August 25, 2004, as amended, among Credit, American Electric Power Service Corporation, the Administrative Agent, and certain other purchasers, including the Majority Purchasers) have consented to this Amendment No. 2;

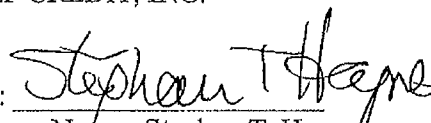
WHEREAS, Credit and Seller desire to amend the Purchase Agreement to eliminate certain provisions upon the terms set forth below ; and

NOW therefore, the parties agree as follows:

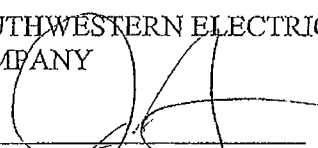
1. Section 2 of the Purchase Agreement is hereby amended to delete Paragraph 2.6 relating to the Carrying Cost Variance Payment and the related Exhibit F to the Purchase Agreement in their entirety.
2. Paragraph 2.8 which relates to Purchase Price Credit Adjustments of Section 2 of the Purchase Agreement is hereby amended to eliminate subparagraph 2.8 (c) and any reference to said subparagraph 2.8(c) in Paragraph 2.8.
3. This Amendment No. 2 shall be effective as of January 30 2008.
4. The Purchase Agreement (except as specifically amended herein) shall remain in full force and effect and said Purchase Agreement is hereby ratified and confirmed in all respects by each of the parties hereto.
5. **CONTROLLING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be executed as of the date first written above.

AEP CREDIT, INC.

By: 
Name: Stephan T. Haynes
Title: Assistant Treasurer

SOUTHWESTERN ELECTRIC POWER
COMPANY

By: 
Name: Julie Sloat
Title: Treasurer